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House of Representatives

The House met at 12 o'clock noon.
The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 147: 5: *Great is our Lord, and of great power; His understanding is infinite.*

Eternal and ever-blessed God, something deep and haunting within our minds and hearts compels us to turn to Thee in prayer although we cannot understand its meaning and measure its power.

We acknowledge penitently and humbly that in our human experience there are sins of omission and commission which only Thy mercy can pardon; sorrows that only the consolations of Thy grace can heal; questions which Thy divine wisdom alone can answer, and problems which Thou alone canst help us solve.

May we enter and go forth upon each new day trusting in Thee; keeping pure and undefiled the sanctuary of our souls; and going about doing good as our Master did.

Grant us, we beseech Thee, that discipline and sense of direction which we so sorely need, if we are to live the life of filial fellowship, of inner sanctity, and of fraternal service to humanity.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had appointed the Senator from Washington, Mr. JACKSON, as a member of the National Outdoor Recreation Resources Review Commission, in place of the Senator from Oregon, Mr. Neuberger, deceased.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9331) entitled "An act to increase the authorized maximum expenditure for the fiscal year 1960 and 1961 under the special milk program for children" disagreed to by the House; agrees to the conference asked by the

House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOLLAND, Mr. HUMPHREY, Mr. PROXMIRE, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow—Friday—to file a report on the bill making appropriations for the Departments of State and Justice, the Judiciary, and related agencies.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOW. Mr. Speaker, I reserve all points of order on the bill.

PROGRAM FOR BALANCE OF WEEK AND FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to ask the majority leader if he has any program for the balance of the week and for next week.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, for the remainder of the week, upon disposition of the bill pending yesterday, which will be taken up in a few minutes, there will be no further legislative business, and if it is disposed of today we will go over until Monday.

Monday is District Day. There is one bill, H.R. 11415, designates a portion of the District of Columbia as the "Plaza of the Americas." Monday is also the first day of Passover.

Tuesday we have Pan American Day exercises.

Then the State, Justice, and Judiciary appropriation bill for 1961.

On Tuesday there is a primary in Illinois, and any rollcalls, because of Passover and the primary in Illinois, other than rollcalls on rules, will be postponed until Wednesday of next week.

On Wednesday of next week we will take up the consideration of H.R. 10474, construction of modern naval vessels.

Thursday: We will adjourn from Thursday until the following Monday, a week from Sunday being Easter. The program for Thursday is undetermined following the disposition of H.R. 10474.

I make the usual reservation that further program will be announced later and that conference reports may be brought up at any time.

With the permission of my friend I will submit a consent request.

Mr. ARENDS. I yield to the gentleman.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that any rollcalls that are requested on bills under consideration on Monday or Tuesday next, other than votes on rules, may be postponed until Wednesday.

Mr. GROSS. Mr. Speaker, reserving the right to object, I recall the experience of yesterday in connection with the passage of a bill on which we could have had a vote Monday except for such an agreement. A quorum call forestalled a vote on that bill.

Mr. Speaker, I object.

Mr. McCORMACK. Mr. Speaker, will the gentleman reserve his right to object?

Mr. GROSS. With the permission of the Speaker, I withdraw my objection and reserve the right to object.

Mr. McCORMACK. The gentleman realizes, of course, that we have a primary on Tuesday. We have an understanding among Members that we are going to enable them to go to their States on primary day. Certainly if there were a primary in Massachusetts, I would be particularly interested, probably more so, the day before the primary than I might be on primary day.

This is something based upon decency.

What the gentleman referred to, of course, is something that took place, but it took place under the rules of the House. But certainly we should not abdicate decency among ourselves in regard to primaries, because we realize they are an important part of the political life and institutions of America.

Mr. GROSS. May I suggest to the gentleman that if there is controversial

legislation to be called up next week that he schedule it for Thursday so we may have a vote on it rather than let it go over until Monday and possibly deny us the vote?

It is my understanding that the Easter recess has been shortened to the point where those of us who live a thousand miles away cannot possibly go out to our districts for Easter. I suggest to the gentleman that he schedule any controversial legislation for Thursday and Friday.

Mr. McCORMACK. Of course, the legislation to which the gentleman refers came up under a suspension of the rules, and the only day on which suspensions could have taken place was on Monday last. There will not be another suspension day for 2 weeks.

Mr. GROSS. And I have been objecting to the consideration of so many bills under suspension of the rules, I might say to the gentleman.

Mr. McCORMACK. Addressing myself to the element of decency, may I propose—

Mr. GROSS. Mr. Speaker, I still object.

The SPEAKER. Objection is heard.

MINORITY REPORT

Mr. PILCHER. Mr. Speaker, I ask unanimous consent that the minority members on the House Committee on Foreign Affairs may have until midnight tonight to file a minority report to be published with the majority report of that committee on the Mutual Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Adair	Gubser	Morris, Okla.
Alexander	Halleck	Moulder
Ashley	Halpern	Murray
Barrett	Inouye	Nix
Boggs	Johnson, Colo.	O'Brien, Ill.
Bonner	Jones, Ala.	O'Brien, N.Y.
Bowles	Lennon	Passman
Brewster	McDowell	Pfost
Buckley	McGinley	Powell
Burdick	Macdonald	Rhodes, Ariz.
Cahill	Machrowicz	Rogers, Colo.
Canfield	Magnuson	Shelley
Casey	Mailliard	Sheppard
Celler	Martin	Siler
Chenoweth	Mason	Sullivan
Curtis, Mass.	Metcalf	Taylor
Davis, Tenn.	Michel	Teague, Tex.
Dent	Miller	Tollefson
Diggs	George P.	Van Pelt
Dowdy	Milliken	Willis
Edmondson	Minshall	Wilson
Fenton	Mitchell	Winstead
Flood	Montoya	Withrow
Goodell	Morgan	Wolf
Grant	Morris, N. Mex.	

The SPEAKER. On this rollcall 357 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EMPLOYMENT OF RETIRED COMMISSIONED OFFICERS

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10959) relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 10959, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Georgia [Mr. VINSON] had 28 minutes remaining, and the gentleman from Illinois [Mr. ARENDS] had 1 hour and 30 minutes remaining.

The Chair recognizes the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, on yesterday when the general debate started on this bill, the able chairman of our committee made a very comprehensive statement as to what was at issue in this particular proposal before us. It was very clear to anyone listening, or to anyone who read it in the RECORD this morning, and they should know exactly what we are considering at this time. Likewise, as we move on this afternoon during the general debate, the gentleman from Texas [Mr. KILDAY] will very thoroughly state the position of the substitute which he has offered as a bill, and the gentleman from Louisiana [Mr. HEBERT] will make known his position. So that those who are privileged to remain on the floor will have a clear understanding of what is at stake in this proposal, I would hope the final understanding is a little better than it is now. Because of the questions asked, there seems to be a great deal of confusion as to what we are discussing at this time.

Mr. Chairman, I should like to express my approval of the pending bill and the substitute which will be offered by the gentleman from Texas [Mr. KILDAY].

I think all of us are agreed on the objective. Our objective is to enact legislation that will effectively stop any improper use of influence. At all times we must protect the public interest. The question is how this can best be accomplished. We are not even certain that there actually has been improper influence. But, if there has been or will be such influence exerted, we must certainly do whatever is necessary to stop it.

The implication of the hearings held by our subcommittee is that retired officers, and particularly those in the senior grades, have influenced their former colleagues in the Department of Defense to

purchase certain items—items that perhaps we did not really need or perhaps were overpriced.

In my judgment an officer on duty who is influenced in this respect is just as guilty, in my opinion, if not more so, than the retired officer exerting such influence. In any deal of this character the man who buys, contrary to the public interest, is as guilty as the man who sells.

If there are retired officers involved in such operation I am confident—

Mr. HEBERT. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I would prefer not to yield until I have completed my statement.

Mr. HEBERT. I just wanted to ask the gentleman to read the last sentence again; I did not quite get it.

Mr. ARENDS. Yes; I shall be glad to: "In any deal of this character, the man who buys, contrary to the public interest, is as guilty as the man who sells." That I believe.

Mr. HEBERT. That is right.

Mr. ARENDS. If there are any retired officers involved in such an operation, I am confident that they constitute only a small part of the whole problem. There are civilians in positions of importance who held public positions of importance who must also be involved. The full extent or the exact nature of this problem we do not really know. The accusations have been largely surmise and the evidence largely hearsay. We are told that maybe something took place, or that possibly something happened, or that it looks as if something might have happened, or that things are not quite as they should be.

On the basis of nebulous charges I do not believe we should go so far as to add a new provision to the Criminal Code to single out retired officers. I certainly believe that we must do whatever is necessary to prevent the possible use of undue influence by retired officers. At the same time, we should not take such severe or punitive action as to deny them the right to use their expert training, or to deny our defense industries the benefit of their knowledge and skill with respect to defense needs.

I believe that our committee approaches this problem in a reasonable manner. I support the committee position which deprives a retired officer of retired pay, or makes him subject to court-martial, and which requires the publication of his name so that the public may know who is employed by what specific industry. But I cannot support a proposal that would subject a retired officer to the criminal code and forces him to be no more than a night watchman in a defense plant.

We seek to prevent improper influence of any kind in defense procurement. That we should do, and that we must do. But because a person at one time served our country in a uniform, served well and honorably, should not be suspected of improper influence simply because he is employed by a defense industry. It is my considered opinion that the committee has, in the law it proposes, dealt firmly with the problem.

My first duty is to the people of the United States. My first obligation is to the public interest. In fulfilling this duty we must be fair, just, and reasonable, never vindictive and emotionally punitive. That is the question here. And I sincerely believe that the Committee on Armed Services, and the substitute bill to be offered by the gentleman from Texas [Mr. KILDAY], makes a truly sound approach to this whole matter. It has my support. It presents a fair and effective method of preventing such improper influence as a retired officer may use or attempt to use.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, I would appreciate it if the gentleman would inform the Committee as to the position of the administration on the amendment which I propose to offer.

Mr. ARENDS. Will the gentleman tell me what information he has in that respect?

Mr. HÉBERT. The information I have in that respect is that the administration accepts my amendment. They also notified the gentleman that they accepted the amendment, they notified the gentleman from Indiana [Mr. HALLECK], minority leader, that they accepted the amendment, and a staff member of the Committee on Armed Services, that they accepted the amendment.

Mr. ARENDS. My understanding is that the administration voiced no objection to the gentleman's amendment, at the same time not saying whether or not they approved the Kilday substitute. If I recall correctly, no inquiry was made as to whether or not they approved the Kilday substitute.

Mr. HÉBERT. They could not possibly do it because there is a new addition every hour.

Mr. ARENDS. My information was to the effect they voiced no opposition to your position, neither did they endorse it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. There are four bills on this same subject at the Clerk's desk, and I think the gentleman is acquainted with them. For the enlightenment of the Members of the House will the gentleman tell us what we have under consideration here, and what we may have under consideration as a result of these four bills?

Mr. ARENDS. What we are going to have under consideration, of course, is the Kilday substitute.

Mr. GROSS. Which one would that be?

Mr. ARENDS. The last one, dated April 5.

Mr. GROSS. There are two bills by the same author.

Mr. ARENDS. That is right. It is the last one dated April 5, H.R. 11576.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Texas.

Mr. KILDAY. It is true that there are a number of bills pending. I wish the gentleman from Iowa would let me have those bills so that I can explain them by number.

Mr. ARENDS. That is the last bill, which is dated April 5.

Mr. HÉBERT. The last one was dated as of when?

Mr. ARENDS. April 5.

Mr. HÉBERT. That is the most recent one?

Mr. ARENDS. That is right.

Mr. KILDAY. Mr. Chairman, the bill being considered under the rule is the bill reported by the committee, that is, H.R. 10959. I stated on the floor yesterday that at the proper time I shall offer a substitute for that bill, and it would be the language contained in the bill H.R. 11576 which I offered on April 5.

It is true that there is another bill bearing my name and offered on April 4. That came about in this way: I offered that so that it would be in print and available to the Committee on Armed Services when the matter came before that committee. When we came before the Committee on Armed Services, the committee made some changes in my text, whereupon I offered the bill as changed by the committee so that it would be available in print on the floor. So what I will offer is H.R. 11576.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Louisiana.

Mr. HÉBERT. As I understand it, the gentleman from Texas will offer H.R. 11576 to H.R. 10959. That will not be a substitute, it will be an amendment to H.R. 10959 by striking out everything after the enacting clause and substituting the language of H.R. 11576.

Mr. KILDAY. It would be in the nature of striking out all after the enacting clause and inserting the language of H.R. 11576.

With regard to the parliamentary situation, I am not qualified, nor would it be proper for me to comment on it, because that is a matter within the jurisdiction of the Chairman of the Committee of the Whole House on the State of the Union.

Mr. HÉBERT. I appreciate that, but I am giving my opinion as well as the gentleman from Texas is giving his. And, answering the gentleman from Iowa, after the gentleman offers H.R. 11576, I shall offer as an amendment the contents of H.R. 11474, which will be not a substitute but an amendment to H.R. 10959, and that will be the order.

Mr. ARENDS. I think that makes it real clear to the gentleman from Iowa.

Mr. VINSON. Mr. Chairman, I yield 30 minutes to the gentleman from Louisiana [Mr. HÉBERT].

Mr. HÉBERT. Mr. Chairman, today I come almost to the end of a long road, a road which had its beginning last June on the floor of this House. It has been a long and tenuous road; it has been a road

filled with obstacles and pitfalls. But, I would feel remiss if I did not trace the history of the building of that road before discussing the merits of the proposal which I will offer from the subcommittee which I have the honor and privilege of representing.

Mr. Chairman, I do not take lightly the great honor or the respect which I believe I enjoy in this House. I am jealous of that respect. I am jealous of the respect which this House has for the committee which I have headed for 10 years, since its inception, minus 2 years when the distinguished gentleman from Ohio, Mr. Hess, was the chairman. During those 10 years, working as a team, the committee has established a record which speaks for itself and which every member of that committee, I am sure, can well be proud of. I do appreciate the kind remarks made by the gentleman from Indiana yesterday and the gentleman from Ohio. And, the committee appreciates them.

I recognize, too, that last year when the so-called Santangelo amendment came to the floor of this House and was defeated by a scant 20 votes, it was defeated on the promise that the committee, which I head, would investigate this matter in its entirety and report back to the House its findings. It was a great compliment to the subcommittee and a great compliment to me as chairman of that committee to be entrusted with this particular investigation.

Under the direction of the distinguished and able gentleman from Georgia [Mr. VINSON], to whom I am personally devoted, I was given instructions—and what I am about to say, again, is very important—I was given instructions to hold the hearings and to come out of that subcommittee with a tough bill. I have attempted to discharge those instructions from my distinguished chairman, as I have done during the 18 years I have served with him under his direction.

The committee conducted hearings for some 2 months. Every Member of this House and of the other body was invited to come before the committee and present any evidence which he had. Every newspaperman who had written that he knew of such alleged infractions of the proprieties was invited to come before the committee and tell what he knew. Numberless retired officers of the highest rank were called before the committee. Many members of industry were called.

After these extensive and exhaustive hearings, the committee then deliberated as to the nature of the report which it would make and had the advice of the chairman, the gentleman from Georgia, as to the type of legislation he would propose. At the request of the gentleman from Georgia, the committee invited the gentleman from Texas to sit in executive session with the committee, in order that he would be fully familiar with the thinking of the committee and the type of legislation it intended to propose.

In January a report was issued. I introduced a bill, which became H.R. 9682,

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which attempted to carry out the instructions of the subcommittee. The report of the subcommittee was unanimously adopted and signed and approved by the chairman of the full committee. The report adopted then, on suggestion of the subcommittee, was then submitted to the full committee in regular procedure. It was the subcommittee's understanding that Mr. KILDAY's subcommittee would hold hearings on the bill, it being a legislative committee, and that it would refine the language in the bill. At no time was any member, including myself, wedded to the language of that bill.

The bill was brought before the full committee instead of Mr. KILDAY's subcommittee. Assistant Secretary of Defense Finucane appeared in behalf of the Department of Defense and endorsed the strong bill which I had introduced under the direction of the chairman of the full committee.

Then came the construction bill for the military and hearings were suspended. The next hearings were held on March 3. Keep in mind, I am referring still to the same bill. The chairman of the full committee was enthusiastic in the support of that bill, I might say very hot about it—sizzling in supporting the bill. The only criticism he had of that tough bill was that it did not go far enough. I quote his language from the hearings on page 3555. The gentleman from Georgia said this: And keep in mind he said this of the tough bill, with the criminal penalties in it. He said:

This is a good bill. And it doesn't accomplish very much. But it is designed to at least slow down a practice which is now subject to a great deal of criticism.

It caused him further to state:

Now, I have read this bill carefully. I studied it yesterday. And I have known about this hearing for a long, long time—ever since it commenced.

Now, I think this bill is necessary and I think the way the committee approached it is on sound ground. And I think every member of the committee can understand it.

That was on March 3. Then came the snows, as you recall. We were snowed out and could not hold any further hearings until the following Monday, March 7. As hot as was the chairman on March 3, just so cold was he on March 7. He thawed out with the snow. To my surprise, without warning, except a few minutes before the hearing began, he caused the committee to strike out, to pull all of the teeth out of the pending legislation and said the penal provision had no part in the bill.

I was taken aback. I should not have been. I have served with the chairman for 18 years and I know his ability and his agility to change. Of course, I am devoted to the chairman. He has taught me many tricks which I will try to pull on him in this debate. I can only say to him in the words of Shakespeare, "You teach me, I teach you, and I will better the instruction."

I do not expect my distinguished and beloved chairman to be as constant as the Northern Star. That would be ask-

ing too much, I know that. But if he would only be as constant as the changing tides, I could at least predict them.

In my own words, the bill was gutted. The chairman then asked me on behalf of the committee to introduce the legislation which is now before you for consideration, which I did. Then when the bill came up for a vote, I gave the committee an opportunity of voting on the chairman's own language. I shall not read in toto what the chairman proposed, but I shall ask permission of the House to insert it at this point in the Record:

Title 18, United States Code, is amended by adding a new section as follows:

"SEC. 292. Whoever, being a retired commissioned officer of the uniformed services not on active duty, retired after having completed twenty or more years of active duty, within two years after his retirement, knowingly sells, or assists in selling, any article, including the parts thereof, in which the officer was directly connected within five years immediately prior to his retirement, to any department or agency of the Department of Defense; or recommends or suggests, to any person in any department or agency of the Department of Defense, the purchase of any article or part thereof in which the officer was directly connected within five years immediately prior to his retirement; or communicates in any way with any person in any department or agency of the Department of Defense in connection with any article or part thereof manufactured by or capable of being manufactured by any person or corporation from whom such officer receives compensation for services performed shall be fined not more than \$10,000, or imprisoned for not more than one year, or both."

SEC. 2. On and after the effective date of this Act, the Dual Employment Statute of 1894 shall not be held applicable to any retired officer of the uniformed services.

SEC. 3. Section 212(a) of the Economy Act, approved June 30, 1932, 47 Stat. 406, is hereby repealed.

SEC. 4. Section 6112(b) of title 10, United States Code, is amended to read as follows:

"If a retired officer of the uniformed services, including the reserve components thereof, is engaged for himself or others in selling, or contracting, or negotiating to sell supplies or materials of any nature whatsoever to the Department in which he holds a retired status, he is not entitled to any payment from the United States while so engaged."

But it was interesting to find out exactly what had happened, because here is a letter I received from the chairman on November 4; not from the chairman, from Mr. Blandford, counsel for the committee:

DEAR EDDIE: The chairman has asked me to write you concerning your letter to him dated October 30, 1959, in which he agreed to make available to you the material, studies, and bill which he proposed on retired officers and conflict-of-interest hearings your subcommittee held.

Listen to this:

The chairman has discussed this matter with me on several occasions and has also discussed the matter with Mr. KILDAY. The suggestions that the chairman and I worked out together—

This tough bill with criminal penalties—

were given to Mr. KILDAY for his comments. He will return to Washington shortly, and we will get together with you or John on the

whole problem if this meets with your approval.

On this I have written a memorandum to Mr. John Courtney, the counsel of my committee:

JOHN: See Russ and get a copy of the proposed bill so we can consider it together with our other proposals. Tell Russ I will talk with him when I get to Washington but get the proposed bill immediately.

So I gave the full committee an opportunity to vote on this language of the chairman. I gave the chairman a chance to support himself. I told him at that time I would not repudiate him, he could repudiate himself, but I would not repudiate him. I stood with my chairman. On the rollcall I got four votes, the chairman leading the way and reversing his position.

Now let us find out why we are in the particular position we are today and what has happened since then. Let me say this, that now we are almost to a point where the committee has fully capitulated to my original thinking, which has never changed. I must again go to the Bard of Avon to say that the committee is perhaps in the position where the advice Hamlet gave his mother applies:

Confess yourself to heaven, repent what is past, avoid what is to come.

The committee on last Tuesday to all intents and purposes did confess to the general public that it was in error. It did repent, in putting some teeth into a new version. Of course, they are only baby teeth, but at least they are teeth, where there were no teeth before. And it bears out the expression I just gave you, "Avoid what is going to happen"—avoid the future, because the committee is fully cognizant of the proposition before this House today and it is up to the committee and the Members of the House to come either to grips with the issue or else to avoid the question.

Now, I want to say this: There is no use of my discussing the matters which were discussed as to what we are being called upon to do at this time. I think I can best tell you the situation that we are now in by reading an editorial from the Washington Post of this morning. This appeared in this morning's newspaper and brings into focus the situation we are faced with now. The editorial is as follows:

A PENALTY TO SUIT

There appears to be substantial agreement in the House that retired military officers ought to be barred for 2 years from taking selling jobs with defense contractors. The obvious good sense of such a bar to influence peddling hardly needs elaboration. But if the Members are indeed prepared to embrace the principle, it is difficult to understand the heated opposition, in some quarters, to the legislation of penalties that would put teeth into the measure. It is impossible to avoid the inference that those who have opposed Representative F. EDWARD HEBERT's proposal of criminal penalties are less than zealous about the reform itself.

Mr. HEBERT, it may be assumed, has not challenged the usually all-powerful chairman of the House Armed Services Committee, Mr. VINSON, upon mere impulse. The Hébert subcommittee's extensive inquiries into military influence peddling apparently

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persuaded that group of the need for stern measures to prevent abuses. We think the House ought not to treat lightly the subcommittee's soundly fashioned conclusions. It ought to adopt penalties commensurate with the considerable public interest in the fair and clean conduct of military procurement.

Mr. Chairman, I subscribe entirely to that sentiment.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. HEBERT. I yield.

Mr. BECKER. Does the gentleman always subscribe to the policy in the Washington Post editorials?

Mr. HEBERT. I disagree with it 90 percent of the time, but I subscribe to this. Of course, I do not know what that has to do with the argument, but it is a nice remark and it was made at a good time for me to make an expression of my independence. Thank you.

Mr. Chairman, the House now has before it, as the gentleman from Texas [Mr. KILDAY] said so aptly and so well yesterday—just one issue, between those of us who think there should be a civilian court as against a court-martial trial. I am in full accord and in full agreement, but there is only one hitch, however.

Will this House be allowed to work its will and vote on that issue? The gentleman from Texas says we have an issue and at the proper time, unless I am misinformed, he is going to object to the House considering the second issue. So you will have only one name on the ballot, his side of the issue, and you will be prevented from voting on the other side, the same as if you removed a man's name from a ballot on technicalities, and do not let the people select.

But there is something more involved in this particular issue than the trial by court-martial as compared to a trial by a civilian court. I asked the gentleman from Illinois [Mr. ARENDT] to repeat a statement he made on the floor a few moments ago. Paraphrasing what he said, the buyer or contractor was as guilty as the individual. I think that is correct. In other words, the contractor who hires an officer to use his influence is as guilty as the officer who hires out his influence. He could not be more right. He could not be more right, but does the proposition which Mr. KILDAY will offer take care of that contractor? Oh, no. He treats the officer as a potential criminal and allows the contractor to go scot free. I am not for discrimination. I want them treated alike. I want both of them to have equal justice. But how can you get into a court a civilian through a military court-martial? The only method you have is a civilian court, and through the history of courts-martial if there has ever been a time that a military court-martial has been held on a retired officer for violation of a civil act, it has not been brought to my attention. Certainly I have heard of no general or admiral being court-martialed. What would a military court-martial be for a general or an admiral? Just an old class reunion.

I only asked that the civilian and the retired officer be tried in the same court that you and I are tried in. I ask that he be tried in the same court that a lawyer or a doctor or an engineer or any other citizen be tried in; not given special service as somebody who has to be specially selected.

I can only judge the future by the past. It was mentioned yesterday in a question propounded by the gentleman from Mississippi [Mr. WHITTEN] to the gentleman from Texas [Mr. KILDAY] as to the Bahama incident, and I think Mr. KILDAY replied they were active officers. What is the difference? An active or a retired officer? He also mentioned the name of Mr. Doerfer. Very interesting, because it now gives me an opportunity to comment there. What are we to expect from the military? A subcommittee uncovered what was going on in the Bahamas whereby the Martin Co. of Baltimore was entertaining on a lavish scale both active and retired officers, among who were some who within 30 days would appear before the Appropriations Committee in support of contracts which included parcels for the Martin Co. I can only give you the facts. I can only say to you that when Mr. Bunker became president of the Martin Co. it was on the verge of bankruptcy. Today the Martin Co. is No. 2 on the defense contract list, and paid a dollar more per share, while the Douglas Aircraft was losing \$93 million. The Martin Co. does not do a dime's worth of work for private business. Every nickel comes from the Government in subsidies. Why should they entertain their only customer, the people they do business with? I do not know whether there is anything wrong. I am going to give you the record. Mr. Doerfer's name was injected into this debate. I am wondering if we do not have some sort of double standard that the military do not want to be treated like anybody else. There are 14 appointments by President Eisenhower who have resigned since he became President because they accepted entertainment from people with whom they had contact. I have heard no reprimand of anybody who went on the Bahama trip. I have not heard a peep out of the Pentagon. Is this the double standard we talk about?

Again, can you not envision what would happen? Here these officers flying in a Martin-owned plane which the Government, of course, provides as a result of Government contracts, or a military plane, flying down to the Bahamas and passing over Biscayne Bay; and down there floating in the beautiful water the great yacht, the palatial yacht owned by Mr. Storer, and sitting on deck they could see Mr. Doerfer taking his drinks. They looked down and at least one of them must have said: "There, but for the grace of God, go I." The only difference was the wearing of the uniform.

I think the contractors are equally guilty and I pay tribute to the distinguished gentleman from New York [Mr. SANTANGELO] for bringing that particular feature of the proposal to the attention

of this House. He was the first to bring it to my attention. To it I completely subscribe.

That is the purpose, that is the issue. But the distinguished gentleman from Georgia yesterday wept tears of bitterness because we dare provide a law which would stigmatize the man in uniform. Oh. He threw his hands up as only he can. "What do you want to make out of these people? Criminals in a civilian court?" And he told us how tough the court-martial law would be. I just wondered as I was thinking overnight trying to brush back my tears, I was just wondering what description would he give to the inmates of the military penitentiaries—and they have some, you know—would he say they are angels on sabbatical leave? Would he say that the only criminals are to be found in the State penitentiaries? Let us all be tried in the same courts subject to the same rules, subject to the same regulations. That is the issue here.

Will you be able to decide that issue? That is the question, and it is a big question. At the proper time, as I have told you, I will offer an amendment which I will not read at this time because you already know what it is, and that is to make the contractor equally guilty with the officer and be triable in the same court.

Mr. Chairman, I ask permission to insert my amendment at this point in the Record.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

(The amendment referred to follows:)

Amendment offered by Mr. HEBERT to the pending amendment offered by Mr. KILDAY: On page 2 strike from lines 2 through 17 and substitute the following:

"It shall be unlawful for a retired commissioned officer of an armed force of the United States (other than an officer who served on active duty for less than eight years and whose primary duties during his period of active duty at no time included procurement, or supply) within two years after his release from active duty to receive or agree to receive compensation or anything of value for any service rendered or to be rendered by himself or for another person, with respect to any transaction of selling or aiding or assisting in the selling of anything to the Department of Defense or an armed force of the United States.

"It shall be unlawful for any person to employ such a retired commissioned officer, within such a period of time, for the purpose of selling or aiding or assisting in the selling of anything of value to the Department of Defense or an armed force of the United States.

"Whoever violates any provision of this section shall be fined not more than \$10,000 or imprisoned for not more than one year, or both."

Mr. HEBERT. Do you think you are going to be able to vote on that? I am well informed that a point of order will be made against the amendment. Let me give you some of the facts.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HEBERT. I yield.

Mr. JONAS. Many will not read the Record tomorrow.

Mr. HÉBERT. If the gentleman prefers me to read it now, I will.

Mr. JONAS. Does that relate to page 5?

Mr. HÉBERT. Page 5, section 4.

Mr. JONAS. Which runs through line 21?

Mr. HÉBERT. It is section 4. It amends the Criminal Code. The difference is a matter of language; the issue is not changed.

Mr. GROSS. H.R. 11474?

Mr. HÉBERT. That is correct. I am told it is against the rules of the House. Who makes the rules of the House? The House. There is nothing magic or mysterious about that. It was Richelieu who said: "Remember he who made can unmake"; and yesterday in this very well we saw the rules unmade, and very properly so.

The gentleman from Iowa and the distinguished gentleman who occupies the chair at this time spoke out of order on yesterday with the permission of the House. It was a technical position that they had to take. Now, the same thing prevails and will prevail when my amendment is offered. The House makes its own rules. And when I offer the amendment the House can allow the amendment to be in order if an objection is not raised.

Who among you on this side, who over on that side, will rise up in this House when that amendment is offered and tell you, "You cannot vote on it because of a parliamentary technicality"?

That is the issue. "I will not allow you to express your opinion, I alone stand between you and this House, and I will not let this House work its will."

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ARENDS. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HÉBERT. Who among you would stand up and make that statement? Who will say that and block consideration?

We were told a lot about the fact that this is not our jurisdiction. I am sorry I do not have the communication here I wanted to read, but I will tell you in essence, and I am sure it is correct. When the distinguished chairman of the Committee on Civil Service protested to the chairman of the Committee on Armed Services that this matter was out of the jurisdiction of the Committee on Armed Services, the chairman replied and stated: "All right, we are going to give you a little time to do something about it. If you do not do anything about it, then we are going to do something about it."

Does that change jurisdiction? Because the other man fails to operate you take jurisdiction?

And I want to say something else right here. Twenty years ago when I came here I was introduced to the greatest amount of labor legislation I had ever seen in my life. Do you know where that labor legislation was being written? In the Committee on Naval Affairs under the distinguished gentleman from Georgia.

Oh, no; you do not have jurisdiction when you do not want to take it, or when you do not want to allow the House to work its will.

Mr. Chairman, I hope I have made the situation quite clear. I hope that I have brought into focus exactly what we are confronted with. We either want to treat the contractor and the man in uniform alike, make them equally guilty of wrongdoing if there is wrongdoing, and the committee has admitted that there is wrongdoing, or we do not. They have adopted my language. Incidentally, the amendment which the gentleman from Texas [Mr. KILDAY] will offer is not so far off. There are seven or eight words changed in one paragraph of the amendment which I have and a new section put in. Everything else is exactly what I proposed.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from North Carolina.

Mr. JONAS. Will the gentleman say that the Kilday substitute, H.R. 11576, is an improvement over the committee bill, H.R. 10959?

Mr. HÉBERT. Oh, yes. The committee bill that I introduced was a license to practice. This new bill makes it unlawful. I have identified them and I treat them alike. They confess themselves to heaven and repent for what has been done in the past.

Mr. JONAS. The gentleman says that his amendment is, an improvement over the Kilday substitute in the two respects he has mentioned?

Mr. HÉBERT. Yes; we subject them to trial by competent civilian courts. The gentleman from Texas does have teeth in what he proposes, but they are baby teeth. I want to give you good, strong, masculine teeth that will do something about this business.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. VINSON. Mr. Chairman, I yield 18 minutes to the gentleman from Texas [Mr. KILDAY].

(Mr. KILDAY asked and was given permission to revise and extend his remarks.)

Mr. KILDAY. Mr. Chairman, I know of no bill that has come before us which should have less emotion about it, or involve less appeal to prejudice or less personalities than that now under consideration. Unfortunately those have been injected here. I think, of all bills I have seen over a very considerable period of time, that this is one where we need to approach objectively and analytically. Of course, it has become very evident in the remarks made by the gentleman from Louisiana that feeling has developed between the gentleman from Louisiana and the gentleman from Georgia [Mr. VINSON], the chairman of our committee. This I regret very much. I submit, however, that it would ill become this legislative body to legislate on what might arise by way of prejudice or from some personal irritation or personal conflict which has arisen between two excellent, outstanding gentlemen

who have served on this committee together for many years. The gentleman from Louisiana served for 18 years. The gentleman from Louisiana is entitled to a tremendous amount of credit. He was designated by the chairman of the committee some 10 years ago to handle the functions of the committee with reference to investigations. In doing so the chairman of our committee passed over the heads of some 8 or 10 other members with more seniority who would have liked to have had that position, but he chose the gentleman from Louisiana, and time has proven that the chairman's judgment was right, because the gentleman from Louisiana has done an excellent job in that connection.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Louisiana.

Mr. HÉBERT. I just want to say, and make it very emphatic, that there is certainly nothing personal in this between my beloved chairman and myself. We have been friends for years, and I hope to continue to merit his long friendship. He is a distinguished American; he is a great man in my book, and after this I will go back to him and find out where I have made mistakes, and I am sure he will tell me.

Mr. KILDAY. I agree with the gentleman's remarks with reference to the gentleman from Georgia, my chairman for many years, and I want to say that the gentleman from Louisiana is also an excellent, patriotic, outstanding gentleman. Now, I hope that that takes out of consideration of the bill the major portion of the address delivered by the gentleman from Louisiana, and I hope you will come to that portion of the remarks the gentleman last made, in which he engaged in a colloquy with the gentleman from North Carolina [Mr. JONAS] because there is the only analytical part of this discussion with reference to this matter.

Now, I want to discuss this as calmly and reasonably and fairly and objectively as I know how. It may be that an Irishman from Texas cannot do any of those things, but I will try to come as near to that as it is possible for that type of individual to do. A situation developed, most unfortunately, but a very improper situation developed with reference to the employment of high-ranking military officers by military contractors. It came on the floor of the House, as the gentleman from Louisiana said, last June, and the House pretty definitely expressed its attitude toward that type of conduct, and the chairman of the Committee on Armed Services referred the matter to the gentleman from Louisiana [Mr. HÉBERT] and his subcommittee for investigation. They conducted hearings, as was stated, for about 2 months. They received a great mass of evidence indicating the situation. And, after they had completed their hearings, they sat down and wrote a bill. It is true that I sat with the committee in executive session as a member of the committee but not as a member of the subcommittee. I sat there without vote in that subcommittee.

I sat there actually against my better judgment and over my mildly expressed protest, because this is not my first year here. I found that a Member of Congress who sits in a committee where he does not have a vote is in a pretty bad situation, because he takes on responsibility without any authority. I knew exactly where I was sitting when I was there. Anyway, the subcommittee came out with a bill, and if you want to get the hearings before the full committee, when the Hébert bill was reported, you can follow along what I am talking about; because the bill which was reported to the full committee by the Hébert subcommittee is printed in the beginning, on the first page. And if you read along there you will find that that very first section, which is section 1601, is, line for line, the substitute that I have offered here. The subcommittee, under Mr. HÉBERT's guidance, did an excellent job in that regard.

You will find that the next provision with reference to the enrollment of retired officers is, word for word, my substitute, as it is in Mr. HÉBERT's bill, as carried in the hearings on the bill.

Now as to the question of registration: This was an idea thought up by the Hébert subcommittee and it is an excellent idea. It is the heart of the bill. It is the one the gentleman from Louisiana [Mr. HÉBERT] should have proclaimed here and claimed credit for because he is entitled to a great deal of credit for having devised a system of registration. There is where this bill is going to be effective when it becomes law.

The supposition is—and maybe it is true—that military contractors have been sneaking around and employing high-ranking retired officers to sneak into these military departments and deal with their former comrades in arms to their advantage. And that is the thing we want to prevent. How many of them are going to be employed when they must file in the registration office which this bill creates? That retired officer has got to go to the Pentagon and file a statement that he has gone to work selling for a man who is selling to the military departments. When the contractor bids he is going to be told that if he gets an award he must submit a list of all the retired people that he has in his employ. So when he gets an award he then files a statement not only of the retired people engaged in selling—this is Mr. HÉBERT's language and it is excellent language—he files the name of every retired individual in his employ. That is the effective part of this proposal. The criminal penalty comes in for that rare bird, if he exists, who is without regard for the law and is willing to violate the law and take his chances on avoiding the penalty. But that is not going to exist here. People who employ retired men for the influence that they can bring to bear are not going to employ one of them when the law says that it shall be unlawful for a military man, within 2 years after leaving office, to accept employment in selling. He is not going to be employed to peddle influence when it is made against the law. His name is on

the register. His name must go into the bid proposal. And his name must be submitted when the contract is awarded.

Mr. Chairman, let me say this. There has been some question here about the coverage of those engaged in selling, and things of that kind. The language which is in the bill reported by the committee is the language used by the Hébert subcommittee in reporting to the full committee. It is identical. The point is this. When you first approach this problem you say, "Why, of course, a former officer ought not to be working for a defense contractor." Then someone says, "Well, how about the young lieutenant, the infantry brigade combat commander, would you include him in that?" "Oh, no; he ought not to be included. We will take him out." Then you come to the company commander, and you get up to the battalion and regimental commander. They have been out in the field. They have been commanding troops. They do not have any influence in the Pentagon. So you say, "We will take them out."

Then you come to the situation of the electronics engineer serving as an officer in the military. When he is released from active duty he is critically needed in the laboratories of these defense contractors. So you say, "Are we going to keep them from hiring him and bringing his know-how into the defense effort? No; we cannot include him. We will take him out."

So you just keep taking them out and taking them out. The Hébert subcommittee found that the only way they could deal with it is the way in which they reported it, the way it is included in the bill reported by the committee and the way it is included in the substitute which I shall offer here.

I call your attention to the very first section of any one of the bills you are looking at. The Hébert subcommittee found a solution of the most difficult part of it. It is too bad that a personal disagreement, or whatever it may be, has beclouded the objective, analytical consideration of an excellent proposal.

After you get down to looking again at the hearings before the full committee, after you leave that registration, and so on, the Hébert subcommittee became too enthusiastic and it covered too much territory.

Now let us analyze the rules of the House. They were not written by anybody sitting here. They start with the manual written by Thomas Jefferson and they have come down through the years. We all come here after our various elections, and we come under the rules and we live by the rules. The rules of the House assign jurisdiction of certain subject matters to certain committees and other subject matters to other committees. In their enthusiasm the Hébert subcommittee, when they had reached that point about these offices registering and working in selling, and so forth, then got into foreign fields.

First they got into civil service, and they attempted to legislate on the authority of the Department of Defense to employ retired military officers in order to overcome the limitations of the Dual

Employment Act of 1894, which is always within the jurisdiction of the Committee on Post Office and Civil Service, of which the gentleman from Tennessee [Mr. MURRAY] is chairman.

Then, after the subcommittee finished with civil service, they provided that the same restrictions would apply to civilian officials of the military departments for 2 years after they left the military departments.

At the present time you will find that the President is complaining that he cannot find Secretaries and other officials who are willing to come to Washington and comply with the conflict-of-interest statutes, and leave their private businesses or employment, under these restrictions. The great cry is that we cannot get competent men to fill the top spots in the Defense Establishment.

The provision the Hébert subcommittee would have brought in would have done this, for instance—this is a concrete case, it happened recently, we all know about it—it would have prohibited Mr. Neil McElroy from going back to work with Procter & Gamble. He was willing to give up the tremendous income he had as president of Procter & Gamble and come here for a time to serve as Secretary of Defense in a very crucial period when it was impossible to find men of that capacity. He has not been gone 2 years. So, had that provision been adopted, even Mr. McElroy could not have gone back to the company from which he came.

So these things came up. In these same hearings, if you will turn to page 3498, you will find the analysis submitted by the Department of Justice, and they are pretty critical of a number of things that were involved in that original bill.

Then the Civil Service Commission gave us their views. If you have the time to read a very long letter that will be most amusing to you, I am sure, because it is so highly critical, it begins on page 3499 of these hearings and runs over to page 3502. It was so condemnatory of these civil service provisions and whatnot, that when it had been read, I laughingly said, "Mr. Chairman, I can give you further information, the fellow who wrote that did not like this bill." Then there was general laughter in the committee as the record shows because it was condemning the bill throughout. Then, of course, we have the letter from the chairman of the Committee on Post Office and Civil Service objecting to our inquiry and legislating in a field over which his committee had jurisdiction. Further, the Committee on the Judiciary has jurisdiction of title XVIII of the United States Code. So, unfortunately, as the gentleman from Louisiana stated, he had been under the impression that the bill, though reported, was going to come to the subcommittee of which I am the chairman. The chairman of the Committee on Armed Services for some reason, and I guess the reasons are sufficient unto himself, but the rules of the House give the chairman of the full committee the authority to decide how bills shall be heard, had those hearings before the full committee. Now when you get

into that kind of legislative situation, it sometimes is a great deal like attempting to write legislation on the floor of the House. It is not easy to do and it is not always highly efficient. So this bill came before the full committee, and the full committee operated on the bill that had been offered by the Hébert committee. It was amended here and there, and this part taken out, and so forth, and so on. As always happens in such a situation, you do not come out with a nicely rounded out piece of legislation such as you have when a committee sits down and discusses the matter and writes in provisions and takes out provisions and writes another provision, and so forth. So, Mr. Chairman, that is the shape in which it was. So the substitute, which I am going to offer, will contain, as the gentleman from Louisiana [Mr. HÉBERT] said, some seven or eight words that he did not have in his bill. It has section 3 which is included on the last page of my substitute.

The other change it makes is with reference to the forfeiture of retired pay. It has been stated here that the forfeiture of retired pay does not amount to anything. Now what kind of penalty is that? Who proposed the forfeiture of retired pay as a detriment to the employment of these officers? The Hébert subcommittee proposed that. It was a device that they developed and wrote into the bill. But, they provided that the forfeiture would be for the period that a person is employed. Now what does that mean? He is disqualified for 2 years so if you catch him in the first month that he is selling, he would forfeit 24 months pay, if he continued to work for 24 months. If you caught him in the 24th month, then I take it that he would forfeit only 1 month's pay. My substitute just makes it a 2-year forfeiture no matter when you catch him.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. HÉBERT. I just want to get the record straight. The subcommittee did not devise this method. This is a method that is in existence now, and in perpetuity, as far as the Navy is concerned. The Hébert bill, reported originally out of the subcommittee, carried it through, but had with it the criminal penalties. It was the full committee which put the bill in such shape that the time of suspension of pay was to be just the time of actual operation—for which the gentleman himself voted.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ARENDS. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. KILDAY. It is true that the Navy law has always been that the person who engages in selling to the Department of the Navy after retirement would forfeit his retired pay. That is correct and the gentleman followed that.

Mr. HÉBERT. But it is also true that when my subcommittee came in with a bill we had the provision of the forfeiture of retired pay linked with a criminal penalty.

Mr. KILDAY. That is true, surely. There is no contest on that.

Mr. Chairman, I am coming to the penalty provision now, and I hope I will have enough time to discuss it. But, you see, we have adopted the approach that the Hébert subcommittee recommended. Frankly, I cannot quite understand why there should be bitterness—turning even to prejudice.

With reference to the Martin Co., of course, it is reprehensible for a contractor to be taking the top flight Air Force command to some place of entertainment over long periods of time.

It was highly improper for these officers to go. Nothing I said yesterday could be construed to condone it. I pointed out that these officers were on active duty; that they were subject to discipline on the part of the President; that the President has authority to discipline civilians by demanding, for example, the resignation of the Federal Communications Commission official, and that the administration has within it, the power to punish these men on active duty. They can be relieved. They can be sent to Okinawa or to Guam, or wherever he wants to send them. They can be handled any way the administration wants it done. The gentleman from Louisiana [Mr. HÉBERT] asked the gentleman from Illinois [Mr. ARENDS] if the administration did not back his proposal. I usually do not know who the administration is. But I know who it is in this case. It is a member of the President's staff, who also happens to be a very capable man who at one time was a member of the staff of our committee. That is "the administration" in this connection. I do not think the gentleman is going to contend that he took the proposition up with the President of the United States.

Mr. HÉBERT. I will not contend that I talked to the President of the United States, but I talked to a person in a position of authority, and I am sure if the same information came to the gentleman in support of his bill he would welcome it.

Mr. KILDAY. Yes, sir. I would have done exactly what the gentleman did. I would have used all the tools at my command.

Now I want to say something to the gentleman in the finest spirit. The rules of the House were written many years before you and I came here—through the centuries. Those rules are found to be the best in the promotion of orderly legislation and the proper writing of legislation. It does not say anywhere in those rules that a minority of the committee, whether it be four, or five, or eight, has the power to suspend the rules and report out of committee something that is not within the jurisdiction of the committee, or to prevent the enforcement of the rules on the floor of the House. If, when that final accounting comes, they can find nothing worse against my record than the fact that I lived up to the rules of the House and made a point of order, I will be very pleased.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. WHITTEN. It is my belief that neither one of these bills reaches the problem. This is limited in your own bill to officers who engage in any transaction, the purpose of which is to sell or assist in selling. We talked in our subcommittee about a situation that had nothing to do with selling. It was just a social occasion. You ask these retired officers who work for the corporations—sure, there was no selling—

Mr. KILDAY. Please. May I ask the gentleman to propound his question, because my time is limited. I do not condone any part of that. Those men are subject to the discipline of the White House or the administration, as the gentleman from Louisiana [Mr. HÉBERT] says. He wants the bill in such shape that the administration will handle it. The administration already has the power to handle this matter if they will do it. I had the same idea about this thing as the gentleman from Mississippi [Mr. WHITTEN] when it first came up. It seemed to me a very simple thing to handle, but after you get into it the best the Hébert committee could do was to take care of those persons engaged in selling. Let us analyze it. The language says "to engage in any transaction the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States." It is not limited to a traveling salesman with a sign on his back.

Then there is inquiry whether this language would apply to the chairman of the board. You show me the president of a corporation who cannot aid or assist in the selling of his company product and I will show you an ex-president of a corporation. The president of a corporation who cannot aid or assist is going to be an ex-president.

Mr. WHITTEN. The gentleman is an excellent lawyer and he well knows this does reach the whole situation. I just say there is nothing here to get at the person who is the head of one of the major services, resigns, then takes a job with a big company, and says, "We are in need of \$2 million more defense expenditures." There is nothing to show he is selling anything, yet his company stands to get rich because of the actions of this man who voluntarily retired.

Mr. KILDAY. I am going to have to ask the gentleman to get his own time; mine is so limited.

Mr. WHITTEN. May I say that I have been unable to get time.

Mr. KILDAY. I do not have control of any time; I take it wherever I can get it. I am sure the gentleman appreciates the situation.

But let me say this: There are many things wrong in the United States, and we have not gotten around to curing all of the problems. We have, however, done the best we could with this one particular problem. As the gentleman from Michigan [Mr. MEADER] said yesterday, the Committee on the Judiciary is studying the entire question of conflict of interest in Government employment.

Mr. WHITTEN. May I just say this: That I, too, am concerned with this, be-

ing a member of the Appropriations Subcommittee for the Defense Department.

Mr. KILDAY. I am very sure the gentleman is.

Mr. WHITTEN. The fact is that our committee can do more than is done in this bill to correct it.

Mr. KILDAY. I hope the gentleman is correct; but I am sure that if the gentleman had approached this subject as carefully and for as long a time and as sincerely and assiduously as the gentleman from Louisiana [Mr. HEBERT] and his committee has, the gentleman would find he could not do much more than the gentleman from Louisiana [Mr. HEBERT] and his subcommittee did.

Mr. JONAS. Mr. Chairman, will the gentleman yield? I will give the gentleman more time.

Mr. KILDAY. I yield.

Mr. JONAS. Will the gentleman from Texas—I do not want to use the word “defend”—but support the section in your bill that gives jurisdiction to the military courts instead of the civil courts?

Mr. KILDAY. That is the point I am coming to; and let me say that I am no stranger to the uniform code of military justice; I was ranking minority member of the committee which wrote the Elston bill which later constituted the base for the Uniform Code of Military Justice. I am now chairman of a Special Subcommittee on Revision of the Uniform Code of Military Justice. I state it to be my firmly considered opinion that even without the language of my section 3, a retired officer who violated the provisions of the bill, without making it specific in the language, would be subject to court martial. I remove any doubt of that by providing specifically that any retired officer who violates any provision of this act shall be tried by a court-martial and shall be punished as a court-martial may direct.

The question that now comes up is—and I was surprised to be asked it a number of times: How are you going to court-martial a retired officer? That is the first question that comes up. If you will turn to the Uniform Code of Military Justice, article 2 deals with persons subject to the code. It says the following persons are subject to this code, and then it goes on down through the active duty grades, and then the fourth subdivision states “Retired personnel of a regular component of the Armed Forces who are entitled to receive pay.” This has always been the situation, a retired member of the military is still a member of the military service. With that I know the gentleman from North Carolina agrees. It has always been true, and of course they are not called back every day of the week for court-martial, but it is certainly not a rare occasion when they are called back. In my own experience there have been several in my district called back, tried by court-martial, and convicted. It is a procedure well known within the Uniform Code of Military Justice. I am going to have to develop this a little further.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ARENDS. Mr. Chairman, I yield the gentleman 10 additional minutes.

The CHAIRMAN. The gentleman from Texas is recognized for 10 additional minutes.

Mr. KILDAY. I thank the gentleman for again yielding time to me.

Mr. Chairman, I would like to develop this one phase a little further.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. This is a very complicated subject. I would like to have it developed at one place so we may get the whole picture.

Mr. KITCHIN. The point I want to bring out is that this does not apply to Reserve officers not on active duty.

Mr. KILDAY. The gentleman is correct. The bill that we have here draws a line at Reserve officers on active duty, for 8 or more years. That is true. They would be subject to the forfeiture provision only. I thank the gentleman for calling that to my attention.

Why do I say he could be court-martialed, even though it was not provided? What would he be charged with? He could be charged under one of several provisions of the Uniform Code of Military Justice. He could be charged under several others, but these are evident. Any officer, cadet or midshipman who is convicted of conduct unbecoming an officer or a gentleman shall be punished as the court-martial may direct. That is a conduct proposition. Specifically, article 134 is a general article and practically every court-martial of an officer contains a charge under article 134.

It states:

Though not specifically mentioned in this code, all disorders and neglects to the prejudice of good order and discipline in the Armed Forces, all conduct of a nature to bring discredit upon the Armed Forces, crimes and offenses not capital of which persons subject to this code may be guilty, shall be taken cognizance of by a general or special or summary court-martial, according to the nature and degree of the offense and punished at the discretion of such court.

There is no question about this. One of the officers of the Judge Advocate General's Department has furnished me with a sample charge and specification which could be drawn under this and under which a man could be court-martialed.

Let us get to the other proposition. The gentleman from Louisiana would make light of a man being subjected to a court-martial. We are dealing here with men who have served for a long period of years as officers in the Military Establishment. I know it is supposed to be good politics to come on the floor of the House and condemn the brass, condemn the fellows with the stars, the high-ranking officers. That is supposed to be good politics. I have sat here now for going on 20 years, I have seen that done consistently, and I have yet to see a Member who profited politically by that approach.

Once you say it is unlawful, these men are going to live up to it just as other professional men live up to the law. Depriving these men of their liberty is not the thing they fear as would other in-

dividuals on the margins who are willing to violate laws. You and I fear the loss of reputation, and the loss of standing and respect. But let us understand this clearly, the enforcement of discipline in the Military Establishment for military offenses, military conduct, is always within the jurisdiction of the court-martial. Make light of it as you please, but I know of nobody seeking trial by court-martial. When we had the universal military training proposal in here we were forced to put a provision in there that these trainees would not be subjected to court-martial but that they would be subject to trial in the U.S. courts because of the aversion of the American people to courts-martial and the general understanding that the court-martial is a highly effective means of inflicting punishment for violation of the law. No one is going to seek a trial by court-martial.

Any offense charged here is bound to be predicated upon his status as an officer of the armed services. If you took him into the U.S. district court the first thing you are going to have to prove is that he is a member of the military services, and this is the only place that you would make a man tryable in the Federal court for a violation of military law, because of his status as a military man. You would single him out.

This is a very highly, complicated, technical question, and I have been amazed at the lack of information I have found in the House on this matter.

Now, there is a provision of law of which apparently few here have become cognizant. I became aware of it a year or two ago when a retired naval officer of long service was convicted in the civil court in nearby Virginia. His name was Rueger. He served 2 or 3 years for the offense with which he was charged, and when he came out he found that he had been dropped from the rolls as a retired officer. Everyone was amazed, and the local papers on both sides of the river here played up the tremendous injustice that had been accomplished thereby. And, that is the first time that this thing was called to my attention. But, I am well aware of it now because my subcommittee reported special legislation to relieve that man of the penalty of forfeiture inflicted upon him of his retired pay and the forfeiture of his widow and his orphans when he dies. That is section 1161 of title X of the United States Code, subsection (B):

The President may drop from the rolls of any armed force any commissioned officer (1) who has been absent without authority for at least 3 months or (2) who is sentenced to confinement in a Federal or State penitentiary or correctional institution after having been found guilty of an offense by a court other than a court-martial or other military court, and whose sentence has become final.

It says “the President,” but you know that it is carried out by the military department to which he belongs.

Of course, the man who violates the law should be punished, but does this committee want to put it in such a condition that the punishment would ex-

tend to disenrollment, dropping him from the rolls, and thereby forfeiting all of his rights, all of the income of the widow and the orphans of that military man?

Now, let me reiterate that I am sorry a personal conflict has arisen in connection with this highly technical bill, one that requires careful consideration without those personal appeals and appeals to prejudice. I have attempted to outline what I believe to be the situation as it exists. The committee has done its best, and I hope that it will be adopted by the Committee of the Whole.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. LINDSAY. As I understand the essence of the bill, it is disqualification. It says if the man is hired, he must not engage in the sales end; is that not correct?

Mr. KILDAY. Essentially; yes.

Mr. LINDSAY. Essentially that is correct. Then, if the man should drift over into a higher office or should be taken on as president of the corporation, and he may never leave his hometown—he may attend a board meeting but not engage in sales directly, do I understand the courts would have to rule as to whether or not this tenuous line had been crossed?

Mr. KILDAY. The gentleman is an excellent lawyer with experience within the Government Establishment and understands an administrative finding and, of course, a judicial finding. The gentleman is correct. The point would come up when someone had to make a determination first administratively and perhaps later judicially.

Mr. LINDSAY. The gentleman understands that if you are dealing with a partnership, disqualification of one partner disqualifies the entire firm, so that if you have got a partnership engaged in research, in which there are a great many, and ultimately, I suppose, engaged in the sales end, disqualification of one of those men would bar the entire firm from engaging in Government business. In essence that is what it means; is that right?

Mr. KILDAY. That is true. I think what the gentleman has done is to point out the limited area in which we must operate and the difficulty in preparing legislation of this kind.

The CHAIRMAN. The time of the gentleman from Texas [Mr. KILDAY] has again expired.

Mr. ARENDS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield further?

Mr. KILDAY. I yield.

Mr. LINDSAY. I would assume that research contractors per se would not come under the heading of sales.

Mr. KILDAY. That would be my off-hand opinion. We have been confronted with a number of attempts to define words in connection with this legislation, to define sales. As the gentleman is well aware, the word "sale" is well understood in law. It is one of the big subjects studied in every law school and most of the States have uniform sales

acts. In each of those it is going to turn on the facts in the particular case.

Mr. LINDSAY. One thing that worries me about this and it is one of the great problems they have in the conflict-of-interest laws, and that is the area of uncertainty. Nobody knows where they stand. The difficulty with this particular bill it seems to me, is that it is going to be very difficult for individuals to know whether or not they are engaged in sales transactions.

Mr. KILDAY. I agree, that is true. And the only way the individual can be completely safe is to be content with his retired pay.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. SANTANGELO. The gentleman from Illinois [Mr. ARENDS] stated that a person who buys in violation of the law is as guilty as the one who sells.

Mr. KILDAY. I agree.

Mr. SANTANGELO. Does the proposed amendment which the gentleman is going to offer to the Hébert amendment provide any penalties or sanctions against a defense contractor who knowingly engages a person who knows that he is selling for a defense contractor in violation of the law?

Mr. KILDAY. Let me say this to the gentleman. It does not provide a criminal penalty. It provides, however, that if he employs him without complying with the law, he shall not be paid the sums due under the contract. I should like to say this further to the gentleman. The creation of new Federal offenses is a matter for the jurisdiction of the Committee on the Judiciary. I imagine if the Committee on Armed Services should bring in here legislation that provides that civilians shall be guilty of certain criminal offenses, we would hear from most of the Members, including the gentleman from New York [Mr. SANTANGELO], to the effect that the Committee on Armed Services had better leave civilians alone.

Mr. SANTANGELO. As I read the gentleman's proposed amendment, it provides that suspension of payments shall be had when the contractor fails to enroll the officer. But the gentleman says nothing about the suspension of contract payments where there is a violation of law with the knowledge of the defense contractor. As I read the gentleman's amendment, it does not propose any sanctions, civil or criminal, against the defense contractor who has permitted this person to violate the law.

Mr. KILDAY. The second offense that is suggested is more aggravated than the first one, and if the gentleman covers the first, he would cover the second.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. BASS of Tennessee. Mr. Chairman, in yesterday's address by the gentleman from Georgia [Mr. VINSON], he pointed out that there were actually no cases of improper influence or influence peddling, conflict of interest, involving any contractor, or involving a case of procurement of material. This being

the case, can we consider this piece of legislation more in the form of a preventive rather than a cure?

Mr. KILDAY. The record fails to show the existence of any of those cases. But I am not that naive. The fact that you are not able to prove it does not prove that it does not exist. As the gentleman knows, many, many times in the last 20 or more years I have stood here and defended the brass, if you please, against the criticisms of my colleagues. I demand of these men, in return for the distinguished careers that they have had, that they not only be not guilty of misconduct, but that they be not guilty of an appearance of misconduct.

Mr. BASS of Tennessee. Not guilty of suspicion.

Mr. KILDAY. I demand of them the same type of faithful service after retirement that they rendered while they were on active duty. There are about 1,400 retired people all told working for defense contractors out of some 150,000 retired officers. That probably includes the young fellow who went off with an infantry company, got his leg shot off and went back to the company that he had left in order to go into the service. It includes all of them.

It is true that six people reported back that they were engaged in selling. I am not that naive either—that there were only six of them.

Mr. BASS of Tennessee. With the gentleman's great knowledge of this subject and with the evidence that was accumulated by this committee, does the gentleman believe that there is proof which would create an aura of suspicion in the field?

Mr. KILDAY. I can tell you it does not look good, and I am afraid it smells bad. I think we have done what can be done to do the job. These gentlemen should not even give the appearance of wrongdoing. They should not be suspected in any connection.

Of the 1,400 that are involved not more than 8 or 10 are drawing big money, and they have reflected on every one of their fellows, on those great military commanders, many of them living in my district, who have not worked one day since they left the military service. Most of these big-money men are staff men, not fighting men.

Mr. HUDDLESTON. Mr. Chairman, I rise in support of H.R. 11576, the substitute to H.R. 10959, as reported by the Committee on Armed Services.

I will oppose any amendment or substitute bill which seeks to add criminal penalties to the proposed legislation, to replace the court-martial procedure provided for in the committee substitute.

I do this because I cannot conscientiously subscribe to any proposition that would impose a criminal sanction upon one group of officers of the Government, who have over the years served all Americans faithfully and well, while at the same time large numbers of other former Government officers remain free to go their merry ways without the sword of criminal sanction hanging over their heads.

When this House is ready to impose upon itself limitations with regard to

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the improper use of influence and make violations of those limitations subject to the criminal code, then I will stand ready to impose the same sanction upon retired officers of our armed services.

Mr. Chairman, I am convinced that the committee position is eminently sound and eminently fair.

We all want to stop people from improperly using the influence they acquire as a result of positions of responsibility in the Government. This is particularly true for those who work for a company which sells to the Government.

I think we all know the difference between "influence" and "improper influence."

The committee bill seeks to lessen the likelihood of the exercise of "improper influence."

But it is one thing to make public the lists of retired persons who are employed by defense contractors, to take away retirement pay if retired officers engage in any transaction which may be interpreted as selling to the Department of Defense, and to subject such officers to court martial, which the committee bill does; and quite another thing to make such action a violation of the criminal code—as some would propose.

Mr. Chairman, I realize that this is a very popular subject. The natural tendency is to lower the boom on high-ranking officers who have obtained high-paying jobs in defense industry.

And I think it is very natural to incorrectly assume, at first blush, that these men are being paid for their reputations and not their ability.

But if that is the case, it is a sad commentary on the judgment of the Members of the House, and former Members of this House, who selected most of these people for appointment to the Military or Naval Academies.

Members of Congress, past and present, considered these people to be outstanding when they gave them appointments to the Academies.

And, the officers here involved proved their ability by rising to the top.

They preserved the Nation in time of war.

Unless we are willing to say that our Nation's success in time of war occurred in spite of them, and not because of them, then there should be no question in our minds as to their ability.

If the head of General Motors is worth several hundred thousand dollars a year, if the president of the United States Steel Corp. is worth several hundred thousand dollars a year, then it would appear that the salaries paid to some of our senior retired officers who have taken important positions in defense industries are grossly inadequate compared to that which their civilian counterparts in industry now earn.

I am sure that the salaries some of these individuals earn arouses a feeling of resentment among some of the general public. It is always so easy to criticize a man who earns a high salary—and it is even easier to charge that that man is being paid for who he knows, and not what he knows.

But, in the absence of proof, I will not subscribe to that concept.

Nor will I subscribe to the concept that a retired general officer of the Army or Air Force or a retired admiral of the Navy is more influential in the Government of the United States than are Members of Congress.

But until we impose criminal restrictions on the activities of former Cabinet members, and little cabinet members, as well as former Members of Congress, it is unjust to levy criminal sanctions upon retired officers. To do so is to tell the people of this country that those men who led their Armed Forces in time of war, as well as in time of peace, are of such low, mean character as to justify their being placed in a special category by themselves.

I am sure there is a lot of influence among those who formerly served in this House, as well as in other divisions of Government, and in the other body, but I do not think that just because a man knows how Government operates, or knows those who operate Government, that he is immoral or inherently capable of improper conduct, by accepting a position in industry.

I agree with the committee that the public should be informed about those among our retired officers who are employed in defense industries.

This will tend to remove any temptation that may exist for the use of improper influence.

Then too, the provisions of the committee bill which subject a retired officer using improper influence to court-martial is the reasonable, logical way to correct whatever evils may exist.

Some Members of this House seem to think that we are here dealing with a corrupt, criminal element rather than a patriotic group of men who have rendered long faithful service in the defense of our form of government and our way of life. The approach we use in handling this problem will have far-reaching results. The Congress must not be stampeded into enacting legislation which may do irreparable injury to the structure of our military officer corps.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, I am not at the present time a member of the Hébert subcommittee that studied this matter, but for some 8½ or 9 years I did serve on that committee and I am well advised as to the difficult assignments it has faced not only on this issue but every other issue considered during my service on the committee.

We are dealing today with a very, very important matter; one that is very, very difficult on which to legislate. It is an elusive subject because most of these actions we have considered in the hearings are extremely difficult to prove beyond a doubt. I think from the colloquies which have gone on here and from the fact that numerous bills of the committee have been introduced, we can get a measure of the magnitude and the complexity of writing legislation in this field.

The reason is obvious. We are dealing here with a question of ethics. We are trying to legislate on suspicions. We are thinking of questions of discretion

and indiscretion, and the question of judgment. We are talking about social and professional relationships. We are trying to tie these into legislation so that whatever suspicions have been aroused in the past will be dissipated in the future.

The gentleman from Louisiana after exhaustive hearings advised the House today that he cannot say there has been anything wrong. I know you will agree with me that from the actions and the reports of the committee all of us know that if these people have not done something unethical, something illegal, then at least, in many cases, they have gone beyond the bounds of propriety.

I believe there is a need for legislation but I would like to make this point: I think that most of the good has already been done on this subject by the hearings which the committee has conducted and by the debate that we have heard here on this floor. In addition, the registration provisions of the bill are probably as strong as anything in the bill. I do not go along with those who constantly criticize the brass, because I remember during World War II all of us thanked God for the wonderful leadership we had in our military organization. To me, it certainly is unfortunate to observe statements here and elsewhere that the question has moved from that of conflict of interest to a general repudiation of the military brass. I do not subscribe to that kind of criticism.

On the other hand, there is another factor that I cannot overlook, and it is this. Last year or the year before we passed legislation in this Congress so that we could improve the scientific capability of this Nation. You know as well as I do that the future of the free world lies in the scientific advancement of this Nation and in other sectors of the free world. We must remain of supreme in this particular area.

It seems to me incongruous to train students now to perform 10 to 20 years in the future, when we have men available at this hour who have spent years in a broad military field and who can make a great contribution to this country, yet deny them the right to work in some of these corporations which are dedicated to defense work.

I am frank to say I believe there have been improprieties. I do not approve of them. I do not condone them and, in fact, I denounce them. It seems to me a lot of these things that have been going on must stop, and I think it is up to the military to clean their own house.

Mr. Chairman, this is an extremely difficult subject. As I read the legislation, many of the words mean something to me and mean something quite different to someone else. I would like to ask the chairman of the full committee exactly what his understanding is of the meaning of the words, "to sell."

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ARENDS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. VINSON. Mr. Chairman, I will say to the distinguished gentleman from Massachusetts, the best answer I can give

as to the explanation of what constitutes selling is that I interpret it to mean a personal contact with the man in the Department of Defense who has the obligation and the authority to enter into a contract.

Mr. BATES. I thank the gentleman. So we can understand that if a retired military officer works in design or in production and has no contact with those in the Department of Defense who are going to buy, that they would not then come under the purview of this law; is that correct?

Mr. VINSON. I thought I had answered the question by saying, it is my interpretation that there must be a personal contact between the seller and the buyer, and the person must come in contact with someone in authority in the Department who has the authority to make a contract.

Mr. BATES. I want to thank the gentleman. The reason I raised the question is that there was considerable confusion in the committee and among those who may have read the hearings.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield.

Mr. WESTLAND. The gentleman is on the Joint Committee on Atomic Energy and has heard Admiral Rickover many times, the father of our nuclear submarine. Let us just suppose that Admiral Rickover retires and let us say that Electric Boat, which makes our nuclear submarines, hires Admiral Rickover. Would he be able to go to any part of the Department of Defense and suggest and recommend to them a specific type of submarine to buy or to achieve or to put in the budget a nuclear powered destroyer or carrier or anything of that sort? Or would he have to stay out of business for a couple of years before he could do that?

Mr. BATES. In answer to the first part of the gentleman's question, in accordance with the definition expressed by the gentleman from Georgia, I would say he could not go to the Department, but it does not mean for that period of 2 years he cannot engage in ideas and work in a particular plant.

Mr. WESTLAND. He can work on ideas, in other words, but he cannot tell anybody about them?

Mr. BATES. He can tell the people working in the plant.

Mr. WESTLAND. Oh, but not to the people who buy?

Mr. BATES. But, he himself cannot go to the Department of Defense and actually contact someone there for the purpose of selling to them.

Mr. Chairman, my time is limited. There are only two questions, it seems to me, that present themselves this afternoon to the House.

One is the question of the Kilday substitute and the other is the Hébert substitute, which I understand will be ruled out of order. But, even if it was in order, I would say there is no vast significance now between the two bills. One section is absolutely identical word for word. One other section in the Kilday bill provides that anyone who engages in selling will lose their retired pay for a

period of 2 years. Under the Hébert substitute, he would lose it only for the period in which he is selling.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield.

Mr. HÉBERT. There is no reference to retired pay in the substitute I have offered.

Mr. BATES. I have not seen the latest one.

Mr. HÉBERT. I have only one bill. My presses work very slowly and I cannot turn one out in every edition.

Mr. BATES. We have seen a lot of bills and that is one reason why there is so much confusion about this.

Mr. HÉBERT. I abandoned the original bill because the gentleman from Texas [Mr. KILDAY] convinced me that retired pay is something that was earned and should not be taken away.

Mr. BATES. I am sure you can explain that when we come under the 5-minute rule. When we get down to the third section, primarily it is a question whether these cases shall be tried in the district court or whether they shall be tried by court martial. It seems to me there is no significant difference. I am going along with the Kilday substitute because I believe that is the best way to approach the problem at this time. If we turn it over to the district court, it will take 2 or 3 years. Their dockets are already overburdened. If we turn it over to a court martial, we can have prompt action. The light of suspicion has been placed upon the Defense Department and they have a tremendous responsibility to the people of this country to clean it up themselves. If they do not do it, I think we should come back here and take action which will force them to do it. In that case, I will vote for the provisors which are presently in the Hébert bill, which would bring such matters as this before the court.

Mr. COHELAN. Does the gentleman feel the Kilday bill will do the job in effectively stopping the alleged practices?

Mr. BATES. The gentleman asks me if it will stop the alleged practice. I am not certain that I know to what alleged practices the gentleman refers. I think it should do as much as the Hébert bill will do. If it is not effective, we can always write more legislation.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. BATES] has expired.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DORN].

(Mr. DORN of New York asked and was granted permission to revise and extend his remarks.)

Mr. DORN of New York. Mr. Chairman, I intend to support the substitute bill of the gentleman from Texas [Mr. KILDAY], but I do so with misgivings.

I have listened to the arguments carefully and I have not found anyone who states that there was any instance of wrongdoing on the part of retired officers. In fact, it has been categorically stated, "No evidence of improper use of influence was disclosed."

The proposed law has one purpose, and that is to prevent improper exercise of influence in the future. Because this, and this alone, is the purpose of the bill, and provided it is so interpreted, I support it.

But I want to make certain that the individual talents of these retired officers are not lost to our defense efforts. It is vital to our country that the services of these officers continue to be used in the work for which they are so well fitted. Their knowledge, ability, and training should continue to be used by private contractors and corporations who need these services. I hope they will not discriminate against these retired officers because of this bill.

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BECKER].

(Mr. BECKER asked and was granted permission to revise and extend his remarks.)

Mr. BECKER. Mr. Chairman, I know they say at times you waste effort in gilding the lily, but for many years I had the honor of serving on the House Public Works Committee. Then I had the honor of being assigned to the Committee on Armed Services. There were remarks made yesterday about the persuasive powers of the chairman of the Committee on Armed Services of the House of Representatives. I have great admiration and respect for the gentleman from Georgia, chairman of that committee. I have come in contact with no Member who has more knowledge or more ability on the subject of our national defense than the gentleman from Georgia [Mr. VINSON]. I am happy I have been assigned to work with him. If he influences me at any time or persuades me, it is only on the basis of logic and reasoning. I am proud to be associated with him and go along with him in this particular instance. When I disagree, he knows it.

Yesterday, referring to the remarks of the gentleman from Louisiana, one of the gentlemen on the floor spoke of the rule and raised the question of the weakness of the Kilday substitute. Then he went on to berate the Defense Department because he could not get contracts for his district in order to keep up employment in his defense plants. That is where the double standard comes in. This is where double standards are involved all the time, whether it shall be for Members of Congress or whether it shall be the standard for retired members of the military, or others.

If we continually downgrade and attempt to place in jeopardy the integrity of the men who provide our security in time of war and in time of peace, if we continue to hop on them and stigmatize them, it is going to become very difficult to get topflight men. As the gentleman from Texas [Mr. KILDAY] has said, we will have great difficulty in getting civilians to head our civilian Department of Defense as well as to be Secretaries of the various branches.

The great difficulty involved is the fact that we are attempting to legislate in the field of morals and integrity. We should realize that we are dealing with a piece

of legislation by which we are attempting to prescribe the morals of individuals and the integrity of individuals. I say that no such law can be so written as to be perfect. We could very well remember the Ten Commandments and the fact that many people today still violate those Ten Commandments. It is regrettable that any moral we might write into law will be violated the same way.

One of the questions in committee that caused the greatest discussion related to selling and transactions. Let me read a little of the colloquy that took place in the committee, because this matter of selling and transactions we found to offer the greatest difficulty in the writing of the bill. First, I want to read this definition and language from the report:

Selling includes all negotiations which bring a contractor and his representative into contact with officials of the Department of Defense or of the Armed Forces for the purpose of obtaining contracts from those Departments for the procurement of tangibles or intangibles in existence at the time or to be produced in the future. The participants in such transactions are a part of that process.

A proposal to create hardware is as much a part of the sale of that hardware as the product itself. One cannot exist without the other. The promotion and display of a plan which will produce hardware which is war material, is a part of the selling process.

These three steps—proposal, development, and production—are links in a chain. Each is a part of a sale. The mere fact that a project may be dropped during development or production, does not make the transaction something other than a sale. A chain begins when the first link is forged.

In the hearings before the full committee, and I think the gentleman from Louisiana will bear me out in this, I am referring to page 3520 of the hearings before the full committee on the Hébert bill and amendments thereto, in a colloquy between the gentlewoman from New York [Mrs. ST. GEORGE] and the gentleman from Louisiana, she made reference to the Ten Commandments as being the best code of ethics we have had for thousands of years, but we still do not follow it. Mr. HÉBERT asked: "May I comment on that, Mrs. ST. GEORGE?"

Then Mr. HÉBERT said:

You put your finger exactly on what we are trying to eliminate, and that is the aura of suspicion.

Now, if these people do not have any influence, well, they should have no objection at all to this prohibition, which protects themselves as much as anybody else.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield.

Mr. HÉBERT. Will the gentleman read the entire colloquy between the gentlewoman from New York and myself? She said something about selling within the first 2 years after he is out of the Department. Will the gentleman read that?

Mr. BECKER. That would take all my time.

Mr. HÉBERT. No, it would not. Read it; do not read out of context.

Mr. BECKER. Well, we go back here to Mr. Finucane, who makes a statement

and then Mrs. ST. GEORGE says: "That is very true, Mr. Secretary."

Is that what you are referring to?

Mr. HÉBERT. I am referring to the exchange in which the gentlewoman from New York [Mrs. ST. GEORGE] said that the best time for an officer to sell would be within the first 2 years after his retirement, after he leaves the service. But I am sure the matter can be straightened out and a correction made which should be made.

Mr. BECKER. Certainly. I am not trying to read anything out of context, I assure the gentleman. I am leading up to what I had to say a few minutes ago when I asked the gentleman from Louisiana to yield.

Mr. BECKER. On the remark that the chairman of the subcommittee just made, in clearing up this aura, which is the purpose of this record—do I assume that is what you said?

Then are we attempting to pass legislation that is going to clear up an impression created in the public's mind that there might have been something wrong with this type of influence with the Defense Department? Is that what you are trying to do by this legislation?

The gentleman from Louisiana said:

I will only refer the gentleman from New York to the reaction of his own colleagues and their comments in the House last year.

And they were made on the floor yesterday by the gentleman from New York [Mr. SANTANGELO].

If we are to legislate something to obviate an aura of suspicion or to clear up an impression that has been gained, I think that is absolutely the wrong way to legislate because in the hearings before the gentleman's committee—I have not read every single word, and a great many people testified—there is not one single incident proven, and I may say to the gentleman that when they talk about fishing expeditions this book is replete with fishing expeditions from beginning to end. That is no criticism of the committee, but it does not point out one single incident. I do not subscribe to influence in any way, shape, or form, but we should not legislate here to degrade people because of an aura of suspicion or an impression that has been created.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Louisiana.

Mr. HÉBERT. I want to direct the gentleman's attention to a report. I do not know whether he has read it or not. I refer to the New York Bar Association which made an extensive study of conflicts of interest, as the result of which hearings are now being conducted by the Committee on the Judiciary. One significant line is that it is more important what the public thinks exists than what actually exists. I can subscribe to that, too, but I think the public expects us to dig up the absolute truth before we legislate.

I say that the Kilday bill is about as near as our committee can possibly come and I shall support it.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

(Mrs. ST. GEORGE asked and was given permission to revise and extend her remarks.)

Mrs. ST. GEORGE. Mr. Chairman, we have heard these bills—and there are three of them—extremely ably analyzed, first by the great chairman of the Committee on Armed Services, then by the eminent gentleman from Texas [Mr. KILDAY], who is a great lawyer. I am not going into the legal qualities which you have already discussed, but I might say that in spite of the efforts of these gentlemen I still think they are extremely unclear.

Nevertheless, that has been done and that has been taken care of.

This bill should be renamed. Whether it is going to be called the Hébert bill or the Kilday bill, I submit to you, Mr. Chairman, it should be considered and named the Caesar's wife bill because this bill is all about an aura of suspicion. As far as I know the only individual who was ever supposed to be above suspicion was Caesar's wife, and it would be extremely difficult for any gentleman, including the top brass, to qualify for that definition.

What are we doing in this legislation? First of all, we apparently have nothing, so to speak, to hang our hats on. We suspect a lot of things. We are talking about these suspicions. They are going out to the world. Everyone is going to read what is done here and they will forget it very soon which, of course, is fortunate. But they will read it; they will think about it. In other countries they will look into this and they will say, as we have frequently heard, "Well, on the floor of the House of Representatives it was said that these men are definitely under suspicion."

Now, Mr. Chairman, I grew up under the shadow of one of our great military Academies. I have the honor to still represent the district where that great Academy is located. The young men who graduate from there take as their motto these three words: "Duty, honor, country." Mr. Chairman, as far as I know, the vast majority have lived up to their motto, and I will defy anyone to say otherwise.

The other day, in talking about another bill before our committee, the Secretary of Defense had this to say. This was a bill to increase retirement pay. This testimony was read in open session, so you will see nothing about it in the newspapers:

We urge Congress to pass this bill which is now before this committee for consideration. In doing so we will be keeping faith with those who have kept faith with their country, particularly during the dark and dangerous days of World War II, and to all who have given the best years of their lives in loyal, honorable service in our Armed Forces.

That is one side of the picture, and I think the true side, the majority side.

The question of the usefulness of these men has been brought up, and I think I can tell my distinguished friend and colleague, the gentleman from Louisiana, [Mr. HÉBERT], what was said at that committee hearing. It occurred to me, and it still occurs to me, that the greatest usefulness for these men who have been

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trained in technical skills and in modern science passes away very quickly. They are valuable, probably, in the first 2 years. It is questionable whether their value will go on after that time. Admiral Rickover has been mentioned specifically, and he is certainly an extremely good example. Where was the Polaris missile 2 years ago? A very long way from where it is today. There are many other things that today are only a gleam in an engineer's eye which may be discarded within 2 years. We have generations of missiles, and those generations pass away far more rapidly than the generations of man. I believe that many of these men are invaluable to our country; that they should be permitted to serve, and when you come to the distinction about selling, you are on very uncertain ground.

I listened this afternoon to the colloquy between my friend, the gentleman from New York, and several others on the subject of selling. It is very, very difficult to decide whether the individual who is making the thing to be sold is not going to be implicated right along with the actual seller, for the very simple reason, How can you sell something that is not manufactured? So, you get again into an uncertain aura, and that is what we are talking about, and that is what we are legislating about.

Mr. Chairman, I expect to vote for the Kilday bill. I think it is the best we can get under the circumstances. But, may I say at this time, Mr. Chairman, that I did prefer and that I still prefer the original bill that came out of the committee practically unanimously.

(Mr. GUBSER (at the request of Mr. ARENDS) was given permission to extend his remarks at this point in the Record.)

[Mr. GUBSER's remarks will appear hereafter in the Appendix.]

(Mr. ROBISON asked and was given permission to extend his remarks at this point in the Record.)

Mr. ROBISON. Mr. Chairman, I intend to support the Kilday substitute when it is offered. I will do so with some reluctance because it seems to me that we may well be creating a law which, if enacted, may be most difficult to apply. The major source of such difficulty will, of course, arise from the language of the bill that attempts to define what is meant by any act to "sell or to aid or assist in the selling" of items to the Department of Defense or the Armed Forces. I can only hope that the committee report as supplemented by the debate of yesterday and today will serve to clear away some of the clouds of uncertainty.

I am also acutely aware of the fact that our retired military personnel constitute a tremendously valuable reservoir of experience and know-how for which we will have great need in the immediate years ahead. I am also aware of the fact that implicit in whatever we may do lies the danger of seriously harming the morale of not only our retired but of our active duty officers as well.

As far as I can ascertain, the investigating subcommittee produced considerable evidence of bad judgment and poor ethics, but revealed no actual wrongdoing. As the gentleman from

Massachusetts [Mr. BATES], I believe, mentioned a few minutes ago, it is quite possible that the very fact of those hearings has accomplished as much or more to solve this problem as would any legislation we may now produce.

Certainly we must guard against falling into a mood whereunder we, in effect, "burn down the barn to get rid of a few bats." Perhaps by prescribing a little preventive medicine, as someone said the Kilday substitute would serve to be, plus equalizing the impact of certain existing laws on all of the services, we will have adequately supplemented the good work of the subcommittee. Quite clearly, it could be most unwise for us to go further than this at the present time at the risk of weakening not only our ability but also our will to put forth the strongest defense effort of which we are capable.

When permissible I shall ask consent to include as a part of my remarks a letter recently received by me from a retired officer constituent who will be affected by this legislation if passed. I think it is worthy of our full consideration if we truly wish to hear both sides of this controversy.

The letter follows:

BINGHAMTON, N.Y., April 2, 1960.
The Honorable HOWARD W. ROBISON,
Old House Office Building,
Washington, D.C.

MY DEAR MR. ROBISON: I am writing you as a constituent, regarding two items of pending legislation on which I wish to state my views and enlist your support.

Item 1: Legislation to eliminate the inequities created by Public Law 85-422 (H.R. 11318).

Your support for this bill would be greatly appreciated. Since I was fortunate enough to have retired after Public Law 85-422 became effective, this legislation will not affect me directly. However, it appears incredible that Congress could permit this gross discrimination to continue against others who were not so fortunate.

Item 2: Legislation further restricting the employment of retired Regular officers in defense industries. (H.R. 10959.) All I ask is that you speak a word in defense of the integrity of retired Regular officers.

Retired Regular officers are already well circumscribed by legislation restricting their employment in direct sales activities. So-called conflict-of-interest law already provides for loss of retired pay, fines up to \$10,000 and 2 years in prison for selling anything to the Government through the department in whose service he holds retired status.

The Hébert bill adds additional breadth to the definition of selling for purposes of withholding retired pay, to include practically anything a retired Regular officer might be qualified, by his service training and experience, to do. I consider this very drastic.

Do we, as a group, really represent such a threat to the integrity of the Nation that we deserve all this special congressional attention? What have we done to deserve it? Certainly nothing brought out at the Hébert subcommittee hearings. Certainly nothing in my 21 months' experience with Link Aviation in Binghamton, N.Y., has appeared to warrant it.

I number among my friends a relatively large number of retired officers in my category. As a group, they are the most loyal, conscientious, dedicated and law-abiding citizens I know. Each individually is trying to continue to be of service to the country in the way he knows best.

Why should we be deprived of our retired pay, even for 2 years, for this privilege? I am prepared to accept, even though I resent it, restrictions on direct selling or negotiations to sell anything. But why, why Mr. Robison, should I not assist my company to better fulfill the requirements of the Department of Defense or aid it to better understand the intricacies of the military procurement system?

I regard withholding my retired pay as confiscatory. I have earned my retired pay. It is not a retainer or payment for some future obligation. I consider it to represent the dividends from enforced savings withheld during my years of active duty. It represented the difference, throughout the years, between my active duty pay and the more attractive inducements of industry.

I do not deny the right of Congress to deprive me of my retired pay and privileges for unlawful conduct unbecoming of my status. But I resent bitterly arbitrary penalties assigned by Congress without regard to the legality of my actions or the degree of possible guilt. In cases of doubt, why shouldn't the courts decide whether an offense has been committed and award appropriate punishment?

Yesterday Mr. HÉBERT appeared on television. He admitted his hearings uncovered no evidence of the insinuations directed at the retired regular officers. Yet he insisted that his bill must be passed to "save us from suspicion." He was obviously speaking of suspicion directed toward a handful of retired officers reported to be drawing large salaries from big companies. Yet his bill is directed at all of us, the great majority of whom are working very hard for salaries commensurate with young engineers 6 to 8 years out of college.

He claimed his bill was aimed only at "selling" and would not prevent us from doing other tasks for which we are well fitted. Just what jobs fall outside the broad category of "assisting in the sale of anything"? Even sweeping out the front office could be interpreted in this category. The Comptroller General has already interpreted "selling" so broadly that hardly any activities remain that do not fall within the purview of existing laws.

I was employed by Link Aviation, Inc., in Binghamton, N.Y., immediately after my retirement on July 1, 1958. I was assured by the Judge Advocate General of the Navy that the terms of my employment complied with all statutes and regulations existing at that time. I was employed as an adviser on military requirements in the field of undersea warfare, in order that the company could better understand and meet the needs of the services in this important area of national defense.

Within a year, restrictions developed on my efforts to communicate with cognizant offices and agencies within the Defense Establishment. A Comptroller decision, followed by the Hébert hearings broadened the interpretation of such activities as being "part of the selling process." Subsequent reaction within the Department of Defense has frustrated the purpose of my employment even though no new legislation had been passed by Congress in the interim. The word was soon passed unofficially, to retired officers in my category, that our mere presence constituted embarrassment to those agencies, regardless of the purpose of our visit, and could make us liable to accusations of "attempted fraud."

Such an attack on the integrity of honorable citizens who have devoted a major portion of their lives to defending the honor and security of their country is unbelievable. It has been degrading to the reputation of each member of this group and to the honor of the rank conferred on us upon retirement.

I have a son who is a Lieutenant, U.S. Navy, a son-in-law, captain, U.S. Air Force, and a nephew, lieutenant commander, U.S. Navy, all regular officers on active duty. They and their fellow officers now regard their military careers in a new light, stripped of the appeal of an honorable retirement.

I sincerely hope you will find it possible to help correct the two injustices described herein, in the interest of restoring to the military retirement the honor, the prestige, the prerogatives and the appeal to young officers that this distinguished profession deserves.

Yours sincerely,
JOHN A. SCOTT,
Rear Admiral, U.S. Navy (Retired).

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. KITCHIN].

(Mr. KITCHIN asked and was given permission to revise and extend his remarks.)

Mr. KITCHIN. Mr. Chairman, I take this time at the close of this debate not because I think I can add anything to what has been said by the gentlemen and the lady who have preceded me, but that I may add a little bit more confusion to the state we find ourselves in at this particular time.

I am a little bit reminded of the story they tell about the old colored gentleman who was walking down the street pulling a rope behind him, and one of his friends said, "Uncle, why are you pulling this rope down the street?" And he said, "Law, boss, I don't know; I am a little bit confused. I don't know whether I found a rope or lost a mule."

I feel, although I am supposed to know something about this particular legislation, that I am in that same category; I am a little bit confused.

In the first instance we heard the great chairman of this committee and another distinguished gentleman of the committee with whom I have been dealing for some 4 years and for whom I have the greatest admiration, the gentleman from Texas [Mr. KILDAY], give a very elaborate explanation of the proposed legislation. We find that the chairman said in one instance that the selling shall be by an actual personal contact. We find that the gentleman from New York read into the record the report of the committee describing and defining selling in an entirely different manner.

Mr. Chairman, we are going to be faced with the situation on the floor today, when we vote on this particular bill, of either doing something constructive, or doing nothing at all. It is my position—and when I get through you will see that I am confused, still confused—my position in the matter would be that it would certainly be better, since this aura of suspicion has been raised by some, and others have been proclaiming loudly about the great crime that is being committed against the society of this country by some of the officers in our Armed Forces—we will find that we are just as far apart as to what this legislation is about as we can possibly be.

Mr. Chairman, I actually think that if we are going to have a bill, and if there is undue influence being peddled to the Pentagon by these officers, I see nothing sacrosanct about an officer, just because

he is an officer, who they say has violated something that is as serious as some would have you believe is covered by this aura of suspicion.

Therefore I say that we are going to pass legislation here today or at some future time of a constructive nature or we are going to do nothing at all except pass a licensing act for these individuals, if they are peddling their influence, under which they will be asked to forfeit something and to be allowed to continue to do a nefarious job.

In these statements I am not inferring that there is any influence peddling. I do not know. I was not on the Hébert subcommittee. I have heard a lot of discussion that people think something is being done; things do not look good; things smell bad. But I have no evidence that this is being done. And if it is not being done then why the legislation? If it is being done why pull punches? I am leaning towards a bill that would have some teeth in it. If this is going to be a defense effort, just to prevent something from being done; if this is going to curtail this sort of thing, if it is going on, then I see no harm, or wrong that would be done if we do put some teeth in this legislation.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. I yield.

Mr. COHELAN. Would my colleague on the committee, who is a distinguished lawyer, agree with me that it is an elementary legal principle that a criminal statute should be clear?

Mr. KITCHIN. I certainly would. I hope, if I have the time, to point out two or three or four of the gray areas in the wording of both of these bills as far as the statute is concerned. I do not know what is going to be voted upon. It has been said here that probably the Hébert amendment will not be voted upon and that we will have a vote upon the Kilday substitute. I would be for the Hébert amendment if I were afforded an opportunity to vote on that particular bill, with a reservation. The reservation is what I would like to leave with you, and I am hoping that it will not be left hanging, because I do not know the answer. I hope there will be someone who will be able to answer these particular questions. We have had lots of discussion about the Kilday substitute. I think someone referred to it as a milk-toast approach to the committee bill. That in itself probably is an unfair statement. I will say that probably as far as it goes it might accomplish a purpose. But who is so naive as to believe that if we are after the big shots, the top brass, the two- and three-star generals or the retired members of the Joint Chiefs of Staff, if only an aura of suspicion sufficient to make him forfeit his retired pay is all that is going to be involved, who is going to call a court? Who is going to call a court-martial? Who is going to sit on the court to court-martial a three-star general? What is going to be the result of such a proceeding in the first place? I am a great admirer of all of our armed services personnel, but who is going to

say this is not a situation that has occurred? In order to convene this court they must admit that someone within their own circles—the Defense Department—has been susceptible to this peddling of influence. That is going to be a deterrent against calling the court in the first place.

In the second place, who is going to prosecute a retired general or admiral before the court-martial? Now we get into the area of the jurisdiction of the court-martial. I think probably I am right in saying that if this particular situation brings these retired officers under the jurisdiction of a court-martial another sort of situation would also be within the jurisdiction of a court-martial. What brings more discredit upon the service than a retired officer's not paying his income tax? Or does not file an income tax return or files a falsified income tax return? Are we led to believe that that type of case, that brings discredit on the services, should be brought before a court-martial for trial? Why are we so afraid of the civil courts of the United States? Why are we willing to dodge the issue as to whether such officers should go before a Federal court for prosecution if they violate the law? What is so sacrosanct about a retired officer who violates the law, as against a member of the civilian personnel of the armed services or any other civilian?

I bring this up for one purpose only. I do not know the parliamentary situation we will find ourselves in, but I would hope that this matter could be referred back to the committee for further study. Why? Listen to this. I am not going to endeavor to answer these questions because I do not know the answers, frankly, but I do know as a practicing attorney for many years that when we get into criminal statutes that are as vague, as broad, as undetermined as is this particular language, we always wind up in the Supreme Court or courts of appeal before we settle anything.

I should like to analyze this particular provision under the Kilday substitute, which is what we are talking about now. It is the identical language of both bills, "To engage in any transaction." The colloquy between the gentleman from New York and one who preceded me brought forth this question: What is a transaction? What constitutes a transaction? How broad is the base of the transaction? Who are the participants in a transaction?

The chairman of the committee in answer to the gentleman from New York said his definition of selling was that it must involve a personal contact. Am I to presume that the president of some big corporation drawing \$100,000 a year sits back at his desk in Detroit or some other city of the United States, using all of the influence of his great office, and says he has made no personal contacts, yet he has sent emissaries into the Pentagon with the message that Mr. So-and-So, a former four-star general, who is now president of the company, would like to have this done or that done? That four-star general had not made a personal contact. He would not be af-

filiated in that transaction as selling was defined by our chairman. Let us go a little further:

The purpose of which is to sell—

And there we get back into the definition of selling, which has been discussed before—

or to aid or assist in the selling of anything.

Now we get into another gray area. What is aiding or assisting? Is the man who is designing an article to be sold, who is a retired officer—and you cannot make a sale unless you make the product first—is he aiding and assisting in the ultimate transaction? Is he going to be innocently involved in a matter on which he might forfeit his retired pay? Is he aiding and assisting in that particular area? All this, as I say, is what causes me to be totally and thoroughly confused as to what we are attempting to do here. I will admit that under the Kilday concept, we do have a little bit more teeth in the bill than we had before. First, we have an act that is made unlawful. The matter goes before a court-martial—if you are so naive as to say that the big boy, if he is violating the law, is going to get before this court-martial. Secondly, the Kilday substitute does have a forfeiture of 2 years of retired pay if he sells within the initial 2 years following his retirement. Do we have any further teeth in it? We do not have the retired reserve officers, and that has been admitted by the gentleman from Texas. We touch no one except these particular active duty officers who are retired. There is no proposition here in the Kilday substitute that reaches any of these civilians or the employers except to say they must file under the recording section of this bill, and if they do not, then the money on the contract is held up until they do file this particular information with the Department, as to the number of military retired personnel that they have on their payrolls.

So, is there anything that we have here that has teeth in it? Mr. Chairman, if this situation exists, and if there is the necessity for legislation, then there is necessity for stronger legislation. If there is no necessity for legislation, then we are just fooling you and fooling ourselves and the public by passing anything that resembles a piece of legislation that is now before this House for consideration. I think we should take this matter extremely seriously. I think we should take it seriously enough not to condone a situation that exists, but by all means not to punish an innocent person by this aura of suspicion, if no violation actually exists.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON], a member of the committee.

(Mr. STRATTON asked and was given permission to revise and extend his remarks.)

Mr. STRATTON. Mr. Chairman, I would like to associate myself very strongly with the remarks made a moment ago by my very lovely and gracious colleague, the gentlewoman from New

York [Mrs. St. GEORGE], who is also a neighbor of mine. Our districts adjoin. I believe the gentlewoman has touched on the very heart of this problem and expressed most eloquently the views that many of us in the committee have felt in dealing with this legislation. I doubt if very many pieces of legislation will come before this House in this session which will be more charged with emotional steam than the present issue, and where for that reason it is likely to be more difficult to deal with the subject in a reasonable spirit, which is certainly the spirit in which we must deal with it if we are to write legislation that will be fair not only to the officers concerned, but, what is even more important, to the whole defense structure.

Mr. Chairman, I have a great deal of personal interest in this matter because, as Members may recall, when the issue was first raised by the gentleman from New York [Mr. SANTANGELO] last summer in connection with the Defense Department appropriation bill, when he offered an amendment that would have barred all funds from any defense contractor who employed any retired general or admiral, I happened to be the only Member in the House who took the floor to speak out against that amendment on the merits. As has already been recalled, that amendment was defeated by a single vote on a division. Ever since that time I have been proud that I had a part in helping to forestall a piece of legislation that in my judgment would have been unwise, irresponsible, and dangerous, particularly for a country which recently has been expressing so much concern about whether we are doing everything we possibly could do to keep up with the Russians in the field of defense production. It would have totally denied us the service of able officers which are so much needed, whether they had a thing to do with selling at all.

As has been mentioned, as a result of the defeat of that amendment, the Hébert committee took the subject under advisement and held hearings, and the legislation we have today is the indirect result of those hearings.

I would like to emphasize a point that has already been made before, and that is that the allegations that lay behind the original amendment offered by my friend from New York [Mr. SANTANGELO], namely, that there were large numbers of retired military officers who were using personal influence in getting defense contracts for the purchase of material which was not justified on its merits, and for which, as we now read in the newspapers, the taxpayers were fleeced millions or even billions of dollars, those allegations were never substantiated by the subcommittee's hearings. In fact the only thing they can talk about now to back up those allegations is the report of flying some active duty officers down to the Bahamas, a situation which the gentleman from Mississippi [Mr. WHITTEN] has already pointed out on the floor several times is not even touched by the legislation offered by the gentleman from Louisiana [Mr. HÉBERT].

We all agree of course that we have to eliminate improper influence. That is precisely what the committee substitute bill is designed to do. But I certainly do not believe it ought to be our intention to exclude retired officers of the armed services from participating in the defense program of the Nation altogether, even if not involved in selling. Certainly it cannot be our view that the defense industry is in itself some demon. On the contrary, we need a vigorous and able defense industry, and may I say too that we need to keep it operating under the American free enterprise system. Surely, there is nothing wrong with an industry that makes a reasonable profit, even a defense industry. And if this Nation is to survive that industry must be able to call upon our best brains in the field of development and production. How else can we solve such baffling problems as trying to locate an enemy submarine hundreds of miles away at sea? How else can we come up with a device for knocking out an enemy missile as soon as it leaves the launching pad? Surely we need a strong and healthy defense industry, and we must not forbid this industry to call in a legitimate and proper way upon those who have spent their lives in the armed services for the kind of experience and talent they can so readily supply.

I am not thinking here about the admirals and the generals. They can take care of themselves. I am thinking about the majors, the lieutenant colonels, the commanders and the captains who are being forced out of the service today because of legislation previously passed by this Congress, and going out at 45 or 50 while their families are still young and their financial responsibilities at their heaviest. These men cannot live on their retirement income. They must find jobs somewhere in private industry.

Where else are they most likely to find a job but in an industry which deals with the very field with which they are most familiar and where their experience primarily lies. Surely we should have no desire, do we, to bar these individuals from finding a legitimate livelihood in the field in which they are best suited.

I do believe, therefore, Mr. Chairman, that we have an obligation to make it perfectly clear in our discussion of this bill just what kinds of activities we consider improper and to which this legislation is being directed. Members of the Committee will note that the legislation refers specifically to "selling." The bill bans, "any transaction the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an Armed Force of the United States by a retired commissioned officer of the Armed Forces within a period of 2 years following his retirement." In other words, the whole impact of this legislation hinges on the definition of the word "sell." Personally, I wish there were a better word that could describe what it is we are after, because we are not so much concerned it seems to me about the definition of selling as we are with making clear just what practises this legislation is designed to eliminate.

Perhaps there is no better word we can find. But I am anxious that we in the legislative history of this bill not interpret this phrase so widely, or so broadly, or so vaguely, or so loosely, as to make it impossible for a retired officer to be employed in a research or production capacity by a defense industry, even if the officer has no contact with the Defense Department or its officials in any way at all.

Let us suppose, for example, that Admiral Rickover, who has been already mentioned, were to retire from the Navy. Are we to lose his immense scientific and technical ability altogether in our defense program at a time when we are struggling so hard to stay ahead of the Soviets? Suppose the admiral goes up into my district and takes a job in the Knoll's Atomic Power Laboratory of the General Electric Co. in Schenectady, N.Y.—as indeed I hope someday he will. Now suppose the admiral is engaged as a consultant in this great laboratory which is playing such a great part in the development of the nuclear submarine, and suppose he never leaves the confines of his office in Schenectady, never picks up the telephone to talk to anyone in Washington and never writes a letter to anyone in Washington. But suppose he just works to perfect developments in the nuclear propulsion field in which he is so eminently qualified. Is Admiral Rickover therefore to be barred from participating in this kind of activity? Is the country to be barred of his services in this technical field?

Surely we cannot and must not do that—if we really seriously mean to stay ahead of the Soviet Union in this vital and important race for survival.

In this connection, may I read to the House from the statement submitted to our committee by the National Association of Manufacturers:

Many individuals of widely varying ages leaving the Government service have abilities that certainly have immediate and crucial value in the world technological race. It would be disastrous if, for example, able young engineers or retired experienced military and civilian Government personnel were broadly precluded from contributing their ready talents toward fostering the defense of our country and its economic health by continuing their work in private industry as employees or in their own businesses. * * * It is one thing to bar a recently retired officer from actually negotiating contracts with his former associates, but quite another to bar the same officer from a purely managerial production or research position for which his technical competence particularly qualifies him even though such competence was acquired by long years of military service. We cannot agree with the committee's report to the effect that every participant in the proposal, development, and production process is engaged in selling. Your previous hearings on this subject indicate that a vast majority of former commissioned officers and Defense Department personnel employed by defense contractors are not, in fact, in any way connected with sales, sales promotion, or negotiation of contracts. These men do, however, make an invaluable contribution to the defense effort at a time when their usefulness to that effort is in many cases at its peak. Those engaged in the defense effort, both the Government and industry, would be acting contrary to the

public interest if they failed to take advantage of the accumulation of knowledge and skill possessed by retired defense personnel. Full utilization of such technical skills is of the utmost importance to the security of the United States in its current technological race with a potential enemy which unceasingly encourages, develops, and utilizes every man-hour of technical skill available to it.

Mr. Chairman, I trust the House will bear in mind that we are dealing here with a subject of the gravest importance to the national security of the country. I hope we will not legislate in this House on the basis of newspaper stories but only on the basis of demonstrated facts. Let us not turn back the clock to the 1930's when any individual who wore the uniform was suspect and any individual who chose to devote his career to the military defense of our country was looked upon with scorn and contempt. Let us not forget that we are still engaged in a competitive struggle with the Soviet Union which is destined to continue for many, many years to come. Whatever we do here should contribute to the defense of our country, not to the weakening of that defense or to the undermining of the confidence of our Nation in the men who have made this defense their life work.

I believe the substitute bill of the gentleman from Texas [Mr. KILDAV], reported by the committee meets that test. I do not know of a single person in this country who knows more about the defense of our great country or who is more sincerely dedicated to it than the distinguished chairman of our committee, the gentleman from Georgia [Mr. VINSON]. I, therefore, urge that the House support the position taken by the committee and its able chairman, and reject all crippling amendments to this effective and reasonable bill.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I want to associate myself with the statements made by the gentleman from North Carolina [Mr. KITCHIN]. I agree with him that anyone who is naive enough to believe that court-martial punishment of military influence peddlers is going to be effective, when dealing with two- or three- or four-star generals and admirals, has another guess coming. That is window dressing. None of these bills goes as far as they should. I call the attention of the chairman of the Armed Services Committee to another kind of influence peddling. In 1957, the Defense Department hired three psychologists from the American Institute of Research and sent them to three Far Eastern countries for 2 or 3 months to determine, whether we ought to have a Military Assistance Advisory Group training program. Being a self-serving survey, these three psychologists, of course, recommended a training program. I do not know of any one, anywhere, at any time or place, accusing these three psychologists of knowing anything more about military training than a hog does about Sunday.

The next development in this picture was the hiring of retired Gen. Henry

Newton who, according to the testimony before our subcommittee, never had a day of direct MAAG training in a foreign country. He was hired at \$50 a day as a consultant in the Pentagon.

That was in January 1958. Six months later, in June of 1958, the MAAG training school was set up over in the Arlington Towers apartments. Who became Director of the MAAG training school then and still is the Director? Of course it was retired Gen. Henry Newton, who was employed for 6 months as a consultant at \$50 a day and then became Director of the school on the payroll of the American Institute for Research which handles the operating contract. Believe it or not, there was no one else in our entire military setup capable of establishing the school; yet there were scores of officers who had MAAG experience in foreign countries. So retired General Newton got the job as Director of the Military Training Institute after serving as a \$50-a-day consultant while setting up the contract with the American Institute of Research, which gets cost plus 6 percent as its share of the gravy.

Thus under this dual compensation, retired General Newton gets \$20,000 a year, including his retirement pay, plus a fat check from the American Institute of Research. Why does not this bill go far enough to cure situations of this kind?

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PUCINSKI. Does the gentleman know whether or not this General Newton retired because he had reached the compulsory age of retirement or did he retire before his active duty time expired?

Mr. GROSS. I know nothing about that; I do know that he is a retired general and draws retirement pay and gets a fat salary from the American Institute for Research, for which he apparently became a director on the basis of \$50 a day plus expenses as a consultant, that being his qualification for setting up this MAAG training school.

Mr. PUCINSKI. I raised the question because I was impressed with the statement made by the previous speaker, the gentleman from New York, who said it is a shame to deny the great abilities of these generals to private industry. The question that arose in my mind was why not call them back into the service of the country, if they have voluntarily retired, so that they can contribute their services to the defense of the country.

Mr. GROSS. Why does not the Pentagon call some of these generals back into service on active duty instead of permitting them to set up systems by which they can farm out their services to a cost-plus contractor and draw dual compensation?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ARENDS. Mr. Chairman, does the gentleman from Iowa desire more time?

Mr. GROSS. No. I thank the gentleman from Illinois.

Mr. ARENDS. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, of course, in 3 minutes I cannot get very far with this difficult subject, but I assure you I am not trying to inject myself into a subject matter with which I do not have contact. For many years I have spent a great deal of time in connection with Defense Department matters on the subcommittee handling defense appropriations.

I say to you in my humble judgment we should follow the advice of the gentleman from North Carolina and send this bill back for further study.

This bill limits itself to participants in transactions, to those who engage in transactions the purpose of which is to sell or to aid or to assist in selling. Mr. Chairman, that does not touch what I earnestly believe is the major problem we have here and which I believe to be a serious one. One of the most tragic things, in my opinion, that can befall a country is getting its domestic economy wrapped around defense spending, or getting to the situation where defense spending is used in the nature of pump-priming transactions, to keep up pump-priming transactions, letting contracts to keep plants going and employment at full level.

No. The damage is not done by the few individuals, as bad as that might be, who in turn call on some other individual with regard to the selling of a particular thing. The damage is done by these big contractors who get top military men to voluntarily retire and go to work for those companies and sell the American people on the necessity of going overboard in military spending in certain directions.

We have had this year for the third time the Air Force before us trying to obtain money to purchase planes from a company of a certain type because somebody a few years ago told two companies the Air Force would decide which company came up with the best plane of a given type. Remember these company representatives come to the Air Force, not the other way around. There was no contract but because somebody talked to somebody three straight times, the Air Force has tried to obtain money to buy.

Last year one of the great issues in Washington and in Congress was whether the Congress was going to insist that we buy hundreds and hundreds of millions of dollars of the weapon Bomarc on procurement contracts prior to the weapon being proven. By a close vote the Government went ahead and the city of Washington was full of the employees of that company here to influence not only the Defense Department but the Congress. The company obtained the procurement contract. This year what do we find in the last 3 weeks? We find the military itself coming down and scaling down by two-thirds the procurement of that missile.

Is it the military people at high level who voluntarily quit, who deprive the Government of their training and their experience, having a job with a particular company, who actually do the selling to the Defense Department? Largely though—they sell the public and policy level people. No. But that general or that admiral, already having a belief as to how the defenses of this country should be provided, preaching that we need missiles, aircraft, or this, that or the other as he has come to firmly believe is hired by the big company who would profit if his views prevailed. Who does he sell to? Not to the military. He sells the American people through the press, and the pressure comes on Defense Department and the Congress. There is a hundred times more involved there than in the particular situations which would be reached if reached at all by the pending bills.

I hope to speak more fully on this when we take the matter up for amendment.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHARTON. Mr. Chairman, the bill under present consideration, H.R. 10959, takes us into a broad and troublesome field. It seems to deal primarily with retired military officers, and involves numerous big contracting corporations in the defense area.

Mention has been made of the absence of a code of ethics for relations of this nature. Codes of conduct are set up in most professions, while in other business relations, ordinary regard and observations of moral conduct have proven sufficient.

Quoting from the committee report and the debate today, I note that 261 general or flag officers and 485 officers above the rank of colonel and Navy captain are employed by manufacturers of 80 percent of new weapons. These contracts involve billions of dollars annually, and the salaries of retired officers, in addition to their retirement rights, reportedly run as high as \$75,000 per annum in some cases—which fact to many of us speaks for itself.

It would seem that something along the line of the current proposal is urgently needed, but the question of necessary punitive provisions arises and will be passed upon in the course of proposed amendments to the bill. The question arises as to whether military or civilian courts should have jurisdiction, and whether the contractor should not be held responsible as well as the retired officer. In my opinion, it would not be practical to have either a divided or a double jurisdiction under this bill; and the equities favor the civilian courts where both the corporate defendant and the individual can be dealt with, should occasion arise. However, we are concerned with matters involving officers of intelligence and standing, on a subject on which regulations should have been laid down years ago as to their conduct.

I have one of the prime defense contractors operating in my district, employing a total of some 84,000 employees; and out of their entire personnel the committee has reported but 10 retired

military officers employed. Obviously this is a very normal figure and entirely above reproach. Other single corporations, I note, have upward of 200 retired military officers on their payrolls, and as high as 27 flag and general officers employed. These figures would seem to be very much out of proportion.

I think this is excellent legislation, and once the necessary standards are established, there is no doubt but that it will have a salutary effect on the entire subject of awarding defense contracts, with the end result of a substantial savings to our taxpayer.

Mr. MACK. Mr. Chairman, I strongly support the Hébert proposal but I regret to say that while it is much stronger than the committee bill it still does not go far enough. The activity of some of the retired commissioned officers who have been employed by defense contractors is shocking. The hearings held by the House Armed Services Committee clearly showed the need for legislative action to correct this deplorable condition. In many cases there has been a direct conflict-of-interest either while the officers were still serving on active military duty or immediately after being retired.

The most recent substitute proposed by the House Armed Services Committee falls substantially short of what is necessary to correct this difficult and complicated problem. Even the Hébert proposal seems to me to be only a step in the right direction. If it were enacted it would still be necessary to prove that the retired officers are actually engaged in selling or assisting in selling. In many instances, the association of the name of a retired flag officer who has been employed by the contractor would be enough for the appropriate salesman to secure a lush contract. In this way the retired officer would be aiding and assisting in the sale but it would be almost impossible to prove. It seems obvious that if we are to approach this problem constructively we must prohibit the employment of all retired commissioned officers for defense and armed service contractors for a period of 2 years after retirement or at least require that they forfeit retirement benefits if they accept any type of employment in a defense industry. This would be a strict rule but it appears to be the only solution to the problem and it is not unjust.

Retirement benefits are paid to retired military personnel without any monetary contribution from the individual. They are paid so that these individuals can retire after devoting many useful years to the military services and in my opinion they are paid for retirement purposes. While there has never been any limitation on their activity after retirement I can see no reason why they should draw their full retirement pay when they are employed by defense contractors doing 100 percent of their business with the Federal Government. Mr. Chairman, I want to reemphasize that if we are sincere and if we really want to deal with these abuses, we need a stronger bill enacted. We need a law which will discourage officers on active duty in the military services from ne-

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gotiating for employment while they are still on duty. We need a law which would make it impossible for any officer to transfer, directly from the military services to a defense contractor and still receive full retirement benefits.

Mr. Chairman, I have a great deal of respect and admiration for the many outstanding officers and men in our military services. Some of my closest friends are high-ranking officers. It is obvious, however, that we have had serious cases of abuse and that we must act affirmatively to eliminate these abuses. Therefore, Mr. Chairman, I strongly support the Hébert amendment. I also hope that the other body will further strengthen this bill.

Mr. DOYLE. Mr. Chairman, while I am in support of the Kilday amendment to the committee bill, I am not satisfied that said bill meets the problem as fully or as effectively as it might. On the other hand, the subject involved had the consideration of the very able Hébert subcommittee for many weeks. Since that time it has had the consideration of the very able gentleman from Texas [Mr. KILDAY] and our distinguished full Armed Services Committee chairman, CARL VINSON.

In the meeting of the House Armed Services Committee, of which I have now been a member for over a dozen years, I voted for the Kilday amendment, but with reservations. I did so then because I did not at that time feel sufficiently enough informed in the premises to definitely commit myself to vote for the Kilday amendment when it came to the floor of the House for decision.

Mr. Chairman, from the speeches on this floor throughout this debate, even by the distinguished chairman of the Armed Services Committee, Hon. CARL VINSON, I am very sure that I am not alone in stating that I am not yet fully satisfied in the premises that this bill meets the problem fully. But, as stated by Hon. CARL VINSON, some legislation is now essential. And, since, under the parliamentary status on the floor, the Kilday amendment or substitute is the issue before us, I shall vote for same.

However, I wish to emphasize to the attention of the membership that I believe one result of the adoption of the Kilday amendment or substitute is that it will place a very great responsibility on the shoulders of the convening authority of military courts-martial. Not only will a greater responsibility rest on the President, or the Secretaries of the Army, Navy, Air Force, or Secretary of Defense, in selecting the personnel for the court-martial under this bill, but it will definitely place an entirely new and different burden of responsibility upon the members of the court-martial who may be chosen to sit in determination whether or not any retired military officer or officers have violated the terms of the law. I am sure the reasons behind this statement by me are crystal clear to all who hear.

Likewise, it appears crystal clear to me that it is incumbent upon the present active Military Establishment personnel to be so ethical in their treatment of their high offices in the field of military

procurement, that the American people and taxpayers, will have no occasion but to have even increasing pride and satisfaction and knowledge that all is well on the highest possible ethical and moral plane of conduct in this difficult area treated during our debate today and yesterday. The other points which I might mention have already been ably spoken of so I will yield back the balance of my time.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (A) Title 10, United States Code, is amended by adding a new chapter at the end of part II of subtitle A, as follows:

"CHAPTER 82—EMPLOYMENT OF RETIRED OFFICERS BY DEFENSE CONTRACTORS

"1601. Withholding of retired pay.

"1602. Enrollment of retired officers employed by defense contractors.

"§ 1601. Withholding of retired pay

"A commissioned officer of an armed force of the United States (other than an officer who served on active duty for less than eight years and whose primary duties during his period of active duty at no time included procurement, maintenance, or supply) who, within two years after release from active duty—

"(1) for himself, or

"(2) for another person, partnership, corporation, association, or other entity, engages in any transaction, the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States shall not be entitled to receive any retired pay for or on account of his service in the Armed Forces, while he is so employed during that two-year period.

"§ 1602. Enrollment of retired officers employed by defense contractors

"(a) A retired commissioned officer of an armed force of the United States upon agreeing to accept compensation or anything of value from a person, partnership, corporation, association, or other entity in any transaction the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States shall after entering into that agreement file a statement with the Secretary of the department with which he intends to do business of the fact and time of such agreement together with such additional information concerning the duties to be performed in such transaction, as the Secretary of that department may require. A retired commissioned officer acting for himself in any transaction the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States shall file a statement with the Secretary of the department with which he intends to do business of his purpose to engage in such a transaction and such additional information as the Secretary of that department may require. A retired commissioned officer after filing shall notify the Secretaries of the departments with which he does business of any change in his status.

"(b) The Secretary of each of the military departments shall establish within his department an office for enrollment of retired officers where the information required to be furnished under subsection (a) shall be collected. The information so required shall be open to public inspection. The Secretary of each of the military departments

shall appoint, from within his department, a director of enrollment who shall be charged with custody of the information filed hereunder and such other duties as the Secretary of that department may require.

"(c) The Secretary of each military department shall cause to be transmitted to officers on the retired list of that department, within six months after the enactment of this statute, a suitable form upon which the information required hereunder may be supplied.

"(d) A person, firm, or corporation awarded a defense contract shall upon the award thereof advise the Secretary concerned in the Department of Defense of all retired military officers employed by said contractor; and a prime contractor shall be required to obtain like information from subcontractors and file the same, as herein provided, unless such information is on file in the department. Notice of the requirements of this subsection shall be included in all invitations for bids or proposals.

"(e) Failure to comply with the provisions of this section shall be cause for the suspension of retired pay or contract payments, as the case may be, until such information is furnished."

(B) The analysis of part II of subtitle A of title 10, United States Code, is amended by adding at the end the following item:

"82. Employment of retired officers by defense contractors----- 1601, 1602"

SEC. 2. The Career Compensation Act of 1949, as amended (Act of October 12, 1949, chapter 681) is further amended by adding at the end thereof a new section as follows:

"SEC. 534. A commissioned officer of an armed force of the United States, who, while on active duty, is employed by any person, partnership, corporation, association, or other entity furnishing anything to the Department of Defense or an armed force of the United States, shall not be entitled to payment from the United States during that employment except officers appointed under the provisions of the Act of March 23, 1946 (60 Stat. 59), and the Act of September 18, 1950 (64 Stat. A224)."

SEC. 3. Section 6112 of title 10, United States Code, is repealed.

Mr. KILDAY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDAY: On page 1, line 2, strike out all after the enacting clause, and insert the following: "That (a) title 10, United States Code, is amended by adding a new chapter at the end of part II of subtitle A, as follows:

"CHAPTER 82—EMPLOYMENT OF RETIRED OFFICERS BY DEFENSE CONTRACTORS

"1601. Withholding of retired pay.

"1602. Enrollment of retired officers employed by defense contractors.

"§ 1601. Withholding of retired pay

"It shall be unlawful for a commissioned officer of an armed force of the United States (other than an officer who served on active duty for less than eight years and whose primary duties during his period of active duty at no time included procurement or supply) within two years after release from active duty—

"(1) for himself, or

"(2) for another person, partnership, corporation, association, or other entity,

to engage in any transaction, the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States and such officer shall not be entitled to receive any retired pay for or on account of his service in the Armed Forces, to which he would otherwise be entitled, for a two-year period from the date he engages in any such transaction.

"§ 1602. Enrollment of retired officers employed by defense contractors

"(a) A retired commissioned officer of an armed force of the United States upon agreeing to accept compensation or anything of value from a person, partnership, corporation, association, or other entity in any transaction the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States shall after entering into that agreement file a statement with the Secretary of the department with which he intends to do business of the fact and time of such agreement together with such additional information concerning the duties to be performed in such transaction, as the Secretary of that department may require. A retired commissioned officer acting for himself in any transaction the purpose of which is to sell or to aid or assist in the selling of anything to the Department of Defense or an armed force of the United States shall file a statement with the Secretary of the department with which he intends to do business of his purpose to engage in such a transaction and such additional information as the Secretary of the department may require. A retired commissioned officer after filing shall notify the Secretaries of the departments with which he does business of any change in his status.

"(b) The Secretary of each of the military departments shall establish within his department an office for enrollment of retired officers where the information required to be furnished under subsection (a) shall be collected. The information so required shall be open to public inspection. The Secretary of each of the military departments shall appoint, from within his department, a director of enrollment who shall be charged with custody of the information filed hereunder and such other duties as the Secretary of that department may require.

"(c) The Secretary of each military department shall cause to be transmitted to officers on the retired list of that department, within six months after the enactment of this statute, a suitable form upon which the information required hereunder may be supplied.

"(d) A person, firm, or corporation awarded a defense contract shall upon the award thereof advise the Secretary concerned in the Department of Defense of all retired military officers employed by said contractor; and a prime contractor shall be required to obtain like information from subcontractors and file the same, as herein provided, unless such information is on file in the department. Notice of the requirements of this subsection shall be included in all invitations for bids or proposals.

"(e) Failure to comply with the provisions of this section shall be cause for the suspension of retired pay or contract payments, as the case may be, until such information is furnished.

"(b) The analysis of part II of subtitle A of title 10, United States Code, is amended by adding at the end the following item:

"§ 1602. Employment of retired officers by defense contractors... 1601, 1602."

"Sec 2. The Career Compensation Act of 1949, as amended (Act of October 12, 1949, chapter 681), is further amended by adding at the end thereof a new section as follows:

"Sec. 535. A commissioned officer of an armed force of the United States, who, while

on active duty, is employed by any person, partnership, corporation, association, or other entity furnishing anything to the Department of Defense or an armed force of the United States, shall not be entitled to payment from the United States during that employment except officers appointed under the provisions of the Act of March 23, 1946 (60 Stat. 59), and the Act of September 18, 1950 (64 Stat. A224)."

"Sec. 3. Any retired commissioned officer subject to the Uniform Code of Military Justice who violates any provision of this Act shall be tried by a court-martial and shall, upon conviction, be punished as a court-martial shall direct.

"Sec. 4. Section 8112 of title 10, United States Code, is repealed."

Mr. KILDAY (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of my amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

(Mr. KILDAY asked and was given permission to revise and extend his remarks.)

Mr. KILDAY. Mr. Chairman, of course, the amendment which I have offered is the amendment which I discussed during general debate, which changes the bill reported by the Committee on Armed Services in only two particulars: Beginning on line 16, page 2, is the language with reference to the forfeiture of retired pay for a 2-year period from the date he engages in such transaction. The committee bill forfeited the retired pay only during the time that he was employed in selling. The other change which is made in the committee bill is to add section 3, which appears on page 5.

Mr. Chairman, I want to say in connection with the remarks made by the gentleman from Mississippi and the remarks made by others, including the gentleman from North Carolina, I have no doubt that there are many things going on in Government establishments or within the Department of Defense which should not be going on. It happens that this one phase of the matter involving the employment of former military officers by defense contractors is the one which has come up, the one that was referred to a subcommittee of the Committee on Armed Services, and the one which we are now dealing with.

Obviously we cannot deal with all of the problems within this area which require solution. It is true, the departments have within their existing authority great power to handle the people who are on active duty and who are making these contracts or employ other individuals. Someone is going to have to administer these departments. I think, by far and large, most of them are honest, sincere, conscientious men. I doubt not that here and there there are those individuals who will take a short cut, but we cannot do all of these things at one time.

Mr. Chairman, I am urging the committee to adopt the amendment which I have offered which will make it positively unlawful for a man within a period of 2 years after he has left the serv-

ice to be employed by a concern, company, or partnership which is engaged in selling to the military. Now, I know that there are a lot of other things that people would like to cover, but, as I attempted to point out in general debate, when you reach this area you find it most difficult to decide the persons who shall be affected. The Hébert committee has come up with the idea of registration and the barring of selling. I am conscious of the arguments that have been made here about this amendment not being effective. I want to reiterate again that the provision for registration, with that registration open to the public, is the really effective provision of this bill. That is the provision that was devised by the gentleman from Louisiana and his subcommittee, to place on the public records, subject to public inspection, the names of those persons engaged in selling to the Military Establishment. Once that public record is made, the influence of that individual is destroyed, and his marketability to a defense contractor is destroyed. He becomes liable to the processes of military justice under court-martial, and he is not going to court that possibility.

The amendment was adequately argued and debated during general debate, and I trust the amendment will be adopted.

Mr. HÉBERT. Mr. Chairman, I offer an amendment as a substitute for the Kilday amendment.

The Clerk read as follows:

Amendment offered by Mr. HÉBERT as a substitute for the amendment offered by Mr. KILDAY: Strike out the language of the amendment and insert: "That (a) title 10, United States Code, is amended by adding a new chapter at the end of part II of subtitle A, as follows:

"CHAPTER 82.—EMPLOYMENT OF RETIRED OFFICERS BY DEFENSE CONTRACTORS

"§ 1601. Enrollment of retired officers employed by defense contractors

"(a) A retired commissioned officer of an armed force of the United States upon agreeing to accept compensation or anything of value from a person, partnership, corporation, association, or other entity with respect to any transaction related to selling or to aiding or assisting in the selling of anything to the Department of Defense or an armed force of the United States shall after entering into that agreement file a statement with the Secretary of the Department with which he intends to do business of the fact and time of such agreement together with such additional information concerning the duties to be performed in such transaction, as the Secretary of that department may require. A retired commissioned officer acting for himself with respect to any transaction related to selling or aiding or assisting in the selling of anything to the Department of Defense or an armed force of the United States shall file a statement with the Secretary of the department with which he intends to do business of his purpose to engage in such a transaction and such additional information as the Secretary of that department may require. A retired commissioned officer after filing shall notify the Secretaries of the departments with which he does business of any change in his status.

"(b) The Secretary of each of the military departments shall establish within his department an office for enrollment of retired officers where the information required to be furnished under subsection (a) shall

be collected. The information so required shall be open to public inspection. The Secretary of each of the military departments shall appoint, from within his department, a director of enrollment who shall be charged with custody of the information filed hereunder and such other duties as the Secretary of that department may require.

"(c) The Secretary of each military department shall cause to be transmitted to officers on the retired list of that department, within six months after the enactment of this statute, a suitable form upon which the information required hereunder may be supplied.

"(d) A person, firm, or corporation awarded a defense contract shall upon the award thereof advise the Secretary concerned in the Department of Defense of all retired military officers employed by said contractor; and a prime contractor shall be required to obtain like information from subcontractors and file the same, as herein provided, unless such information is on file in the department. Notice of the requirements of this subsection shall be included in all invitations for bids or proposals.

"(e) Failure to comply with the provisions of this section shall be cause for the suspension of retired pay or contract payments, as the case may be, until such information is furnished."

"(b) The analysis of part II of subtitle A of title 10, United States Code, is amended by adding at the end the following item:

"82. Employment of retired officers by defense contractors.-----1601"

"Sec. 2. The Career Compensation Act of 1949, as amended (Act of October 12, 1949, chapter 681), is further amended by adding at the end thereof a new section as follows:

"Sec. 534. A commissioned officer of an armed force of the United States, who, while on active duty, is employed by any person, partnership, corporation, association, or other entity furnishing anything to the Department of Defense or an armed force of the United States, shall not be entitled to payment from the United States during that employment except officers appointed under the provisions of the Act of March 23, 1946 (60 Stat. 59), and the Act of September 13, 1950 (64 Stat. A 224)."

"Sec. 3. Section 6112 of title 10, United States Code, is repealed.

"Sec. 4. That chapter 15 of title 18, United States Code is amended by adding at the end thereof the following new section:

"§ 292. Unlawful transactions of a retired commissioned officer within the Department of Defense

"It shall be unlawful for a retired commissioned officer of an armed force of the United States (other than an officer who served on active duty for less than eight years and whose primary duties during his period of active duty at no time included procurement, maintenance, or supply) within two years after his release from active duty to receive or agree to receive compensation or anything of value for any service rendered or to be rendered by himself or for another person, with respect to any transaction related to selling or aiding or assisting in the selling of anything to the Department of Defense or an armed force of the United States.

"It shall be unlawful for any person to employ such a retired commissioned officer, within such a period of time, for the purpose of selling or aiding or assisting in the selling of anything of value to the Department of Defense or an armed force of the United States.

"Whoever violates any provision of this section shall be fined not more than \$10,000.00 or imprisoned for not more than one year, or both."

Mr. HÉBERT (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, since it is contained in H.R. 11474, which was discussed this morning in general debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. KILDAY. Mr. Chairman, I make a point of order against the substitute offered by the gentleman from Louisiana.

The CHAIRMAN. The gentleman will state his point of order.

Mr. KILDAY. Mr. Chairman, as I understand, the amendment is the language of H.R. 11474; is that correct?

Mr. HÉBERT. That is correct.

Mr. KILDAY. Mr. Chairman, I make the point of order that it is not germane to the amendment or the pending bill; that the language appearing on page 5 beginning at line 4 attempts to create a new penal offense, whereas the amendment and the pending bill do not create any criminal offenses. I make the additional point of order that the committee reporting the bill does not have jurisdiction to consider the matter contained in this substitute.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. HÉBERT. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized.

Mr. HÉBERT. Mr. Chairman, reading from Cannon's Procedure at page 199 under the heading of "Germaneness," this definition is given under the ruling of the then Chairman, John J. Fitzgerald of New York:

That an amendment be germane means that it must be akin to or relevant to the subject matter of the bill. It must be an amendment that would appropriately be considered in connection with the bill. The object of the rule requiring amendments to be germane—and such a rule has been adopted in practically every legislative body in the United States—is in the interest of orderly legislation. Its purpose is to prevent hasty and ill-considered legislation, to prevent propositions being presented for the consideration of the body which might not reasonably be anticipated and for which the body might not be properly prepared.

Mr. Chairman, I submit that the amendment is certainly germane. It is relevant to the subject matter. It proposes to deal with the subject matter, which is the relationship between retired officers and defense contractors. It should be declared in order because of that germaneness.

The CHAIRMAN (Mr. FORAND). The Chair is ready to rule.

The gentleman from Texas [Mr. KILDAY] has offered an amendment to the bill presently under consideration, H.R. 10959, to which the gentleman from Louisiana [Mr. HÉBERT] offers a substitute.

The Chair has examined the language of the Kilday amendment as well as of the substitute offered by the gentleman from Louisiana and finds that the Kilday amendment deals with retired officers of

the Armed Forces, whereas the HÉBERT substitute goes much further and deals with criminal penalties; deals with the Criminal Code and which, if offered as a separate bill would have to be referred to the Committee on the Judiciary. It is clearly outside the jurisdiction of the Committee on Armed Services.

For those reasons, the Chair sustains the point of order.

Mr. HÉBERT. Mr. Chairman, I offer an amendment to the amendment offered by Mr. KILDAY, of Texas.

The Clerk read as follows:

Amendment offered by Mr. HÉBERT to the pending amendment offered by Mr. KILDAY: On page 2 strike from lines 2 through 17 and substitute the follows:

"It shall be unlawful for a retired commissioned officer of an Armed Force of the United States (other than an officer who served on active duty for less than 8 years and whose primary duties during his period of active duty at no time included procurement, or supply) within two years after his release from active duty to receive or agree to receive compensation or anything of value for any service rendered or to be rendered by himself or for another person, with respect to any transaction of selling or aiding or assisting in the selling of anything to the Department of Defense or an Armed Force of the United States.

"It shall be unlawful for any person to employ such a retired commissioned officer, within such a period of time, for the purpose of selling or aiding or assisting in the selling of anything of value to the Department of Defense or an Armed Force of the United States.

"Whoever violates any provision of this section shall be fined not more than \$10,000 or imprisoned for not more than one year, or both."

Mr. KILDAY. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane, that it is outside the language of the amendment I have offered and of the original bill, that it creates a new criminal offense, and that it applies to other than retired officers, being the only group concerned in my amendment.

Mr. HÉBERT. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. HÉBERT. This amendment is identical with the previous amendment except that it has no reference to the criminal statute, title 18 of the United States Code. It is germane because it does apply to the creation of a violation of a law, which is in the pending amendment, making sales unlawful. It is germane in its reference to contractors because the title of the bill relates to the hiring of retired commissioned officers by defense contractors.

The CHAIRMAN (Mr. FORAND). The Chair is ready to rule.

The same basis for the ruling that was made previously would apply here, in view of the fact that criminal penalties are involved. The Chair sustains the point of order.

Mr. HÉBERT. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. HÉBERT to the amendment offered by Mr. KILDAY: On page

2 strike from lines 2 through 17 and substitute the following:

"(a) It shall be unlawful for a retired commissioned officer of an armed force of the United States (other than an officer who served on active duty for less than 8 years and whose primary duties during his period of active duty at no time included procurement, or supply) within 2 years after his release from active duty to receive or agree to receive compensation or anything of value for any service rendered or to be rendered by himself or for another person, with respect to any transaction of selling or aiding or assisting in the selling of anything to the Department of Defense or an armed force of the United States.

"(b) A retired commissioned officer who violates subsection (a) of this section shall not be entitled to receive any retired pay for or on account of his service in the Armed Forces, to which he would otherwise be entitled, for a 2-year period from the date he engages in any such transaction.

"(c) It shall be unlawful for any person to employ a retired commissioned officer as defined in subsection (a) of this section, within such a period of time as defined in subsection (a) of this section, for the purpose of selling or aiding or assisting in the selling of anything of value to the Department of Defense or an armed force of the United States.

"(d) Whoever violates the provisions of subsection (c) of this section shall be for a period of 2 years, from the date of such violation, disqualified to enter into any transaction related to the obtaining and performing of defense contracts with the Department of Defense or an armed force of the United States."

Mr. KILDAY. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane. In that connection, I call the Chair's attention to the fact that it includes the prohibition as to the person employing, that phrase not being included in either the amendment or the original bill. It creates a new civil penalty for violation which was not included in either the pending original bill or the pending amendment. For that reason it is not germane to the pending bill and amendment.

Mr. HEBERT. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Louisiana.

Mr. HEBERT. Mr. Chairman, this is an entirely different approach from the two previous amendments. This amendment is new language and is in keeping with the bill itself. The title of the bill is "A bill relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces and for other purposes."

With reference to chapter 82, Employment of Retired Officers by Defense Contractors, I direct your attention to page 2, line 1, section 1601, which deals with the employment of the officer and his activities. It also provides a penalty for that activity.

Mr. Chairman, I submit that the amendment which I have offered provides as to the activity of the contractor and provides a penalty for a violation of law not with a jail sentence or a criminal prosecution, but with a civil penalty in keeping with the civil penalty or fine as contained in section 1602.

Mr. Chairman, this is an entirely different approach and it carries out the complete intent of the bill. It deals with officer and contractor relations, and I certainly think the amendment is in order.

The CHAIRMAN (Mr. FORAND). The Chair is ready to rule. The gentleman from Louisiana has offered an amendment to the amendment offered by the gentleman from Texas [Mr. KILDAY], to which the gentleman from Texas has raised a point of order. The Chair has had an opportunity to study the amendment and finds that in paragraphs (c) and (d) the amendment refers to contractors. It imposes a penalty on contractors in the form of a suspension of the privilege of doing business with the Federal Government for a period of 2 years. The bill and amendment now under consideration deal solely with retired commissioned officers of the armed services. It is entirely outside the scope of the bill or of the amendment offered by the gentleman from Texas [Mr. KILDAY]. Therefore, the Chair holds that the amendment is not germane and the point of order is sustained.

Mr. HEBERT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. KILDAY].

Mr. Chairman, you have seen the exhibition that I predicted would take place here this afternoon when I offered my amendment. You have been denied the right to vote on the issue. By the use of the parliamentary situation, you are being prevented from expressing yourself fully. You have only one name on the ballot; that is all. However, I assure you, so far as I am concerned, you will be allowed to work your will. As far as I am concerned, this House will be allowed to come to grips with the problem. As far as I am concerned, I will take the advice of the gentleman from Texas, the distinguished and learned lawyer whom I respect highly and who moved me so much earlier today by his remarks. Although I do not agree with his conclusions, I will take his advice and I am now dropping in the hopper a bill containing exactly what I have been trying to get before this House. This bill will be referred to the Committee on the Judiciary, and I shall do everything I can to get it up before the House for you to dispose of the matter in that manner.

(Mr. KILDAY asked and was granted permission to revise and extend his remarks.)

Mr. KILDAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman I want to congratulate the gentleman from Louisiana [Mr. HEBERT] for now finally abiding by the rules of the House. I congratulate him upon his action in dropping into the hopper a bill which will be referred to the proper committee, the committee having jurisdiction of the subject matter. That makes crystal clear the parliamentary situation which has confronted the Committee on Armed Services from the time it began consideration of the report of the Hébert subcommittee. The Hébert subcommittee sought to go outside of the jurisdiction of the Committee on Armed

Services. The full committee found itself faced with opposition from the other committee for invading their jurisdiction. This is a matter which exists constantly. It is the first time I have known of a committee being criticized for having abided by the rules of the House and for remaining within its own jurisdiction. Many times committees have been criticized for having gone outside their own jurisdiction. As I said before, those rules existed long before the gentleman from Louisiana [Mr. HEBERT] and I were born—and that is getting to be a long time ago. Through the existence of the parliamentary system of the United States, based upon the centuries of experience in the British House of Parliament, Jefferson initially wrote the manual which is still the basic rules of procedure of the House of Representatives. These great men who preceded us through the 160 years since the convening of the first Congress, have seen that the rules have been amended to promote orderly consideration of legislation. It is not within the province of the gentleman from Louisiana to set aside those rules. It is not within the province of the gentleman from Louisiana on one rollcall vote with four others to set aside those rules. Nor is it the province of the gentleman with 24 in the Committee on Armed Services who voted in favor of the substitute I have offered, nor is it within the province of those who wanted no legislation at all. I have no criticism of the gentleman for casting me in the light of one who did not want you to pass upon an issue not raised. The rules of the House determined that long, long ago. When I was elected, and each time I have been reelected, no one has had me come here with the misconception that this was going to be a case of easy procedure. Every one of us during his service here sometime during each session will be faced with distasteful decisions. Whether you are willing to face those distasteful decisions is up to each Member.

Mr. PUCINSKI. Will the gentleman yield?

Mr. KILDAY. I yield.

Mr. PUCINSKI. Will the gentleman explain whether the reporting procedure found on page 3 of the amendment would apply to all of these 1,677 former Army officers listed on page 22 of the report? Is this retroactive? Will this cover all of the retired officers now covered?

Mr. KILDAY. It would depend on when he retired. The disqualification is for a period of 2 years after his release from active duty. Anyone retired less than 2 years ago is included.

Mr. PUCINSKI. It would be a fair assumption that of this figure of 1,677 listed in the committee's report on page 22 that a substantial percentage of those would not be included in the reporting on this amendment?

Mr. KILDAY. I think that is correct. I will call attention to the other provision of the bill, however, that when notice for bids goes out the contractors are informed that if they get the award they are going to have to disclose the people employed by them. That says

for all time. So it would take in those also.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. PUCINSKI, and by unanimous consent, Mr. KILDAY was allowed to proceed for 1 additional minute.)

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. PUCINSKI. I congratulate the gentleman for his amendment. The point I am wondering about is whether you are not creating a double standard of officers, a second class of officers who come under retirement, one, those who have retired within the last 2 years who have to report, and those who retired previously who do not. Why should the requirement not be applicable to all?

Mr. KILDAY. We are dealing with a situation which should never have occurred. The retired people should have seen to it that it did not arise, but the situation has arisen and we must deal with it as it exists.

Mr. PUCINSKI. What objection is there to covering all of them?

Mr. KILDAY. The point is that you cannot bar these people forever from working for defense contractors.

Mr. PUCINSKI. I am not barring; I am not suggesting that; I am suggesting that they all report.

Mr. KILDAY. The objection is that they are associating with their fellows in the Department of Defense. I grant you that some years ago 2 years would not have been an adequate period of time for those dealing with defense matters for they would know some of the people down at the Pentagon. But today the change is so rapid that every time we have a hearing a new group comes up and today after the lapse of 2 years most of those associations have been dissolved.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. VINSON. Mr. Chairman, I would like to ascertain the time required on this amendment. I ask unanimous consent that all debate on the Kilday amendments and all amendments thereto close in 20 minutes.

Mr. SANTANGELO. Mr. Chairman, I object.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on the Kilday substitute and all amendments thereto close in 25 minutes.

Mr. SANTANGELO. Mr. Chairman, I object.

Mr. VINSON. Mr. Chairman, I move that all debate on the Kilday amendment—

Mr. WHITTEN. Mr. Chairman, if this is coming out of my time I cannot yield further.

The CHAIRMAN. The gentleman from Mississippi declines to yield further, as this is coming out of his time.

The gentleman from Mississippi is recognized.

Mr. WHITTEN. Mr. Chairman, I would like to repeat again that from the years of experience I have had on the

Appropriations Subcommittee handling defense appropriations, I sincerely believe this bill should go back to the Committee on Armed Services in line with the fine statement of the gentleman from North Carolina, a member of the committee. I think that anyone who followed the points of order raised by the gentleman from Texas, in which he pointed out what is not in the bill, would agree that the points raised by him are proof of the need for the bill to go back so that committee can put some of those provisions in the measure.

May I say that my good friend from Texas, and he is one of the ablest lawyers here, one of the finest people, is right about the rules of the House; but the gentleman from Louisiana is also right about the rules of the House. I have seen my distinguished friend from Georgia in times past bring up a bill similar to this which did provide for fines and jail sentences. He had my help in strengthening the provisions of that bill.

Many of you will remember in World War II the 5 percenters, Washington contacts who charged contractors 5 percent on the military contracts they obtained or claimed they got. Hundreds of millions of dollars were thus paid out to these individuals, the cost of which was passed on to the Government in the cost-plus-fixed-fee arrangement. The country was up in arms. My good friend from Georgia, then as now, got busy to clean it up. However, where some of these 5 percenters got many millions of dollars, the penalty in the bill brought out by the committee of the gentleman from Georgia provided for only a penalty of 3 months in jail and five thousand dollars in fines. The House and the Congress changed the penalty however to 5 years, and the Government broke up that practice, unless what is happening now is some of the same.

Now it appears contractors may be doing the same thing, not through paying a percentage which is now in violation of the law, but by hiring retired military personnel on a salary. I think the legislation now before us, including both amendments are wholly inadequate.

Remember, the retired officer denies having tried to influence. The military officer denies it. Each says it was only a social occasion. Now, is a third military man going to file charges leading to court martial?

In World War II the House wrote its own penalty in that bill, but the penalty was in the bill because the gentleman from Georgia sought and obtained a rule which made it in order. That could have been done here, had the gentlemen from Georgia been for these stronger penalties.

I remind you again the gentlemen could have made these amendments in order. Some of you will remember when there was so much turmoil about the first congressional pension, the gentleman from Georgia repealed such pension in a naval construction bill. Talk about jurisdiction. Now, I do not have a better friend. There is no more able man in the Congress than our colleague from Georgia, who has rendered great service

to his Nation; but do not tell me he did not know how to have made these amendments in order and also do not tell me he could not have gotten the approval of these other committees for him to handle this overall problem had he wished.

Really if the pending bill were to control what is claimed for it, in my opinion, it would only barely touch what is involved here. Today the Nation is spending about 60 percent of its total income for so-called military. As a result we are having constant inflation. Military spending is used to keep employment going, to spread contracts, to cut everyone in. After months of hearings each year I am convinced that fully one-third of our military spending has little if any relation to defense. With such a serious situation, unless we stop it, we will continue to have on the one hand the military people who have a vested interest in their existing jobs spending 60 percent of the national income. We have on the other hand military contractors with 1,400 other military men pressing for military spending for contractors who may later hire those regular service personnel when they retire. With that much influence on both sides it makes it that much more difficult to hold things down.

If such retired personnel could not look to employment with defense contractors perhaps they would have more incentive to hold down defense expenditures so their retirement dollar would buy something.

Let me explain all this you read in the press that the Army does not have enough money. What that means is that certain Army officials do not believe the Army has been given a big enough percentage of the assignment for defense, which would take more money. The argument that some Navy officers make that the Bureau of the Budget and the Defense Department do not give the Navy enough money, really means that they believe the Navy has not been given as big a part of the defense assignment as they think it should have. That of course would have taken money.

So it goes with the Air Force. Now each, if he had his way, would open up great amounts of purchasing, in Army equipment, or naval weapons, planes, or missiles.

These officers I am talking about, many of them in their own mind, are convinced they are doing right. They honestly think you ought to have the Army fill a bigger place, which would call for more procurement, so with the Navy, so with Air Force. The officer takes that position. Then when he does not have his way, some smart contractor convinces him he should retire voluntarily, deprive the Government of his education and his training and go to the country with his arguments. He gets a job with people who want him to go to the public and sell the idea that the Army needs more modernization or the Navy, or the missile program, or research. I could point out some folks in research, retired, all having fine positions. They are not dishonest. They believe if we do not think as they do we would be letting the country go to ruin.

The end result is frequently faulty decisions or from appearances perhaps pressure decisions.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. (By unanimous consent (at the request of Mr. VINSON), Mr. WHITTEN was allowed to proceed for 3 additional minutes.)

Mr. WHITTEN. Mr. Chairman, the point I wish to make is that these policy decisions at the Pentagon level and the White House level are hard to make. Some of these high-level military men may have retired because they conscientiously believe we are not carrying out their thoughts—but then we see them immediately go to work for these big contractors who are interested in that particular field of contracts and who would profit if the public gets sold. We believe at the least it is unsound and could destroy public confidence along with costing money.

In recent weeks the Defense Department has completely changed its whole continental defense plan. The Department has taken back months of testimony before our Committee on Appropriations, and started all over. Just like that, they have completely reversed themselves. Some contractors will benefit, some will lose. I have no reason to say that it was not a conscientious military decision, but I do say when you let 1,400 of their fellow officers, some of them retired voluntarily, represent these contractors it leaves us where we don't have the same confidence that this reversal was for purely military reasons that we otherwise might have. Mr. Chairman, there are areas where public officers should be like Caesar's wife.

May I say too in my opinion there should be a distinction made; and I think this committee, if the pending bill were sent back to them, would really draw a distinction between the serviceman who involuntarily retired perhaps with a minimum of income and who wasn't particularly influential anyway and the officers who may retire voluntarily, with a job in sight, with a big contractor, who could use his standing and his honest beliefs to influence opinion, be it public, or Defense Department, which might in turn help determine whether you are going into missiles or hold on to more defense with planes to decide which planes, which missiles. I could cite you the example of the B-36 bomber, which was largely obsolete before it became available.

Perhaps none of this had anything to do with that. I think we would all be more confident if we did not have the present situation. I could cite you lots of curious decisions that leave me where I cannot say that anybody did anything out of the way. However, they do look curious. But when you leave it up to the military to police, a la court martial, it will not be done, and you know it, for there is no one to report.

Did you know those high-ranking military people who went to the Bahamas as guests of the Martin Co. were not violating any military regulations? However, for the little fellow who might be caught

they have regulations covering him under this selling business in this bill.

But regulations did not touch those in high position who make these billion dollar decisions. Of course, the Martin Co. or any retired personnel representing that company would not try to sell them planes or hardware. As you can imagine, their conversation would be at the highest level—what will do the best job, and of course the Martin officials believe what they produce will best do it. I know for I have received their brochures.

Did this happen? I do not know. If it did it would not have been in violation of any regulations, and if it should happen, you could not do anything about it under the terms of the bill before you, for it would still be a social occasion, where the argument had to do with how best to handle our overall defense.

No; I firmly believe we are fooling around with peanuts here by limiting this bill, serious as some of these things might be. It is in these high-level policymaking decisions where the direction is taken, and the spending decided. Now again there is nobody for whom I have a higher regard than the gentleman from Texas, the gentleman from Georgia, and the gentlemen from Louisiana. If this bill is sent back to their committee—I firmly believe they can and will meet this overall problem—I think that there is plenty evidence here, particularly the points of order made by the gentleman from Texas, where he pointed out what the pending bill does not do and indicates that the bill should be sent back to that committee, where new legislation could be written to really handle this problem. Again, if we merely pass the bill before us we should not tell the country we stopped something when what we really do is to almost give tacit approval, to the continuance of an unwholesome situation.

Mr. VINSON. Mr. Chairman, I move that all debate on the Kilday amendment and all amendments thereto close in 25 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

[Mr. HOFFMAN of Michigan addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, it seems we are getting pretty close to the end of time for debate here. I thought, when I objected previously, that I would have 5 minutes, and I was assured that I would have 5 minutes. But I did not get it, and that is the way the course of this debate has gone.

Mr. RIVERS of South Carolina. Mr. Chairman, I ask unanimous consent to yield 2 minutes of the time allotted me to the gentleman from Vermont.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MEYER. I thank the gentleman.

Mr. VINSON. Mr. Chairman, I ask unanimous consent to yield 1 minute of my time to the gentleman from Vermont.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MEYER. I thank the gentleman from Georgia.

Mr. Chairman, in the course of this debate it seems to me that we have heard a lot about what the rules were. I believe in going by the rules. But, sometimes it seems to me that the rules are not always the same. I have my own viewpoint on what we should do to help the career officers who have served our country. I believe very strongly that their retirement pay should be adjusted to present conditions. And, very recently, on March 30, we had a discussion over the involuntary retirement of certain officers of the Regular Army and the Regular Air Force.

At that time I protested that that bill which we were discussing did infringe upon the rights and the honor of men who had devoted their lives to service to their country. And yet that bill passed and there was a penalty in it which I consider a criminal penalty or the equivalent of it, because the officers could be separated involuntarily from the regular service, for moral or professional dereliction, or in the interest of national security. They would not have the chance to confront their accusers or to find out what the reasons were; that is, in a completely honorable sense of being able to study the testimony that had been presented against them. So, if we can do that in one case, I do not see what was wrong with the Hébert amendment in this case.

I would like to quote from a news story that I read—it may not be a proper quotation, but the gentleman from Texas, the ranking majority member on the committee, for whom I have the greatest respect, is quoted as having said that law-abiding men abide by the law whether there is a criminal penalty attached or not.

This is perhaps true, but this is not really the issue. As I see this issue it first started out with influence peddling. Then it spread, in some sense, to the idea of collusion. And then it became an even bigger issue, the issue of corruption. I think perhaps the issue is getting even larger than that. If we go on and we do not correct the situation which we now face, sooner or later in this country of ours we will find that in the highest councils of government we will have someone sitting up in the chair—he may be sitting up in the chair—but perhaps the real influence over the destiny of this country will be in a four- or a five-star general. In our defense industries, in our educational system and in almost every other phase of American life this is growing. And when a person opposes it, he is not opposing the great men who have led our military forces. He is opposing, rather, a force which threatens democratic life in America.

If we do not enact legislation that will prevent the shadow of suspicion being

cast, if we do not enact legislation that will prevent the abuses that have occurred, I do not see how this form of government can endure.

So I would like to repeat that the issue we are now facing is not only influence peddling, it is not only collusion, it is not only corruption, but it is also whether we are to turn back, whether we are going to stop the growth of military influence in every phase of American life. We cannot say because we do not believe in hurting an Army officer or a naval officer that we cannot do this or we cannot do that. I, for my part, do not want to hurt them a bit and I am sure no one here does. But the real issue is that we do not want the American form of government, or the confidence in our Government to be hurt. We do not want the American way of life to be hurt in a way that it can never recover from. That, Mr. Chairman, I say is the real issue now. I think if we do not face it here, this afternoon, that someday we are going to have to face it and it is going to get tougher and tougher all the time. And maybe when we want to call a halt we will not be able to.

The CHAIRMAN. The time of the gentleman from Vermont [Mr. MEYER] has expired.

The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS of South Carolina. Mr. Chairman, I, too, have served on this committee for about 20 years, along with the distinguished gentleman from Georgia. Through his leadership we have gone far enough today. This will stop whatever alleged pressure exists if truly pressure does exist. I favor the Kilday amendment because that is as far as we should go. That is as far as we should legislate, because the evidence and the facts warrant no further proposal on our part.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I rise to inquire of the sponsor of the Kilday amendment the meaning of the language that appears on page 5, in section 2. The bill purports to apply to retired officers. However, section 535 reads as follows:

A commissioner officer of an armed force of the United States, who, while on active duty, is employed by any person, partnership, corporation, association, or other entity furnishing anything to the Department of Defense or an armed force of the United States, shall not be entitled to payment from the United States during that employment.

Then there is an exception.

My question is, Is it the intent of this particular section to allow an Army, Navy, or Air Force officer to remain on active military duty and yet be employed by a private business and be paid by that private enterprise, even though he as a military officer may be dealing with that private business for the Armed Forces? Under the wording of this particular section, all he would forfeit would be his military pay, and he could be paid by the private party maybe twice or three times the amount of his

military pay but at the same time he would still be on active duty for the United States. I should like an explanation of that language as it appears to me to invite and in fact legalize the most obvious case of conflict of interest.

Mr. KILDAY. First, may I say to the gentleman from Maryland that the language in my amendment is the identical language offered in the bill reported to the full committee of the Hébert subcommittee. The important portion of that is the last portion, "except officers appointed under the provisions of the act of March 23, 1946, and the act of September 18, 1950."

That refers to the remaining five-star officers, those who are still alive.

As to the balance of that section, it is the language of the gentleman from Louisiana [Mr. HÉBERT], and I would have to ask him to explain it. May I also say, at this time, that I incorrectly stated to the gentleman from Illinois [Mr. PUCINSKI] a few moments ago that the enrollment provision would only be applicable for a 2-year period. I am now convinced that it will be applicable to those now retired or hereafter retire who engage in selling.

Mr. FOLEY. May I ask the gentleman from Louisiana to explain the same language that appears in his bill on page 4, section 534? I am just trying to find out what that language means.

Mr. VINSON. If the gentleman will yield, I will try to clarify it. It simply means that the gentlemen who were given five stars are technically on the active list, but as a matter of fact they are not on active duty. This does exempt them. It applies to only two generals, MacArthur and Bradley.

Mr. FOLEY. As I read it, they can receive payment from the United States as well as a private organization?

Mr. VINSON. That is right. They are on the active list, but as to actual performance of duty they are not on the active list.

Mr. FOLEY. It is not for the purpose of inviting active-duty officers to engage in private employment?

Mr. VINSON. We extended the same privilege to Admiral Nimitz. We are doing the identical thing for Generals Bradley and MacArthur.

Mr. FOLEY. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SANTANGELO to the amendment offered by Mr. KILDAY: On page 5, immediately after line 19, insert the following:

"1603. Prohibition against flag or general officers and retired procurement officers accepting employment with defense contractors.

"It shall be unlawful for any flag or general officer of an armed service who hereafter resigns or retires from active duty, or any commissioned officer whose primary duties at any time during the last two years of such duty included procurement, to accept employment with any defense contractor within two years after such duty ceases. Any person violating this provision shall be

tried by a court martial and shall upon conviction be punished as a court martial shall direct."

Mr. SANTANGELO. Mr. Chairman, the amendment I have offered provides a complete ban of employment with defense contractors as to all future retirees, flag officers, admirals, and generals and retired commissioned officers the colonels and captains who have been engaged in procurement with the Department of Defense for 2 years before retirement. I believe and so stated yesterday that the sanctions and enforcement provisions of the Kilday bill are a milqueoast and powder puff approach to this serious problem. We have not been given the opportunity to try to decide for ourselves whether we want to enforce it by means of a criminal penalty or civil penalty and we have not been given the choice of deciding whether we want to put the burden where it rightfully belongs; that is, on the defense contractor, the company that profits by the use of the influence of a retired officer whether it be a flag officer or a commissioned officer.

Mr. Chairman, what does my amendment do? My amendment supplements the Kilday amendment, it bans all future retired officers, flag and general officers and retired commissioned officers engaged in procurement from joining up with the defense contractor.

Let me state to those who say we are denying a man the right to work when he is forced to retire. If you read the report of the subcommittee, you will find that 750 of a total of 1,401 officers who retired, voluntarily quit the armed services for the purpose of obtaining a lucrative job with a defense contractor. We must try to stop this exodus of the brains of our Defense Department and keep those brains and that ability where we need them, in the services, and we do not want the defense contractor to lure them from the Government for the company's private gain. We have to have effective sanctions and effective penalties.

Further, Mr. Chairman, this amendment has a bearing on our declared surpluses of military supplies and equipment. If you will read the report of your Committee on Appropriations for this year on the Department of Defense, you will find that in the fiscal year 1960, we had \$10 billion worth of materials declared to be surplus. In other words, we have \$10 billion of so-called surplus supplies and equipment. In 1959, there was \$8,500 million worth of surplus supplies and equipment. And we are not talking about millions of dollars, we are talking about billions of dollars. Why do we have such surpluses? Is it the result of miscalculation or is it because these supplies and equipment were bought as the result of some influence by some individual? It is time that we eliminated this aura of suspicion surrounding such situations as this. It is time that we eliminated as far as possible waste and inefficiency in our Department of Defense.

The high officials in our armed services should not be permitted to have the opportunity to use their influence. The bill offered by the gentleman from Texas

[Mr. KILDAY] will apply to all those who have retired. My amendment applies to all future retirees.

Mr. CHAIRMAN, I trust that my amendment to the Kilday bill will be approved.

Mr. STRATTON. Mr. Chairman, will the gentleman yield for a question?

Mr. SANTANGELO. I yield to the gentleman from New York.

Mr. STRATTON. Is it not true that the figure stated by the gentleman is actually the original cost figure and that when he gives a figure of \$8 billion or \$9 billion of surplus, this does not represent the real and actual present value of the items referred to?

Mr. SANTANGELO. My colleague is merely proving my point, because when these surplus supplies and equipment are sold, the Government gets back 1 percent on the dollar. The Government paid \$8 billion or \$10 billion for these supplies and equipment and gets 1 or 2 percent back on the dollar. That proves my point that this is a complete waste and I ask why this situation should be allowed to exist in the first instance.

Mr. STRATTON. But some of this material has been used for 20 years; is that not true?

Mr. SANTANGELO. And a great deal of it was bought recently when it became useless and was declared to be surplus.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. VINSON].

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. KILDAY. Mr. Chairman, I want to point out again that this is what happens when we try to write a provision of this kind on the floor when we have not had an opportunity to read and to study the proposition. The gentleman's amendment provides that not only generals and admirals hereafter retired, but any officer who had been engaged in procurement, is barred from employment by a defense contractor in any capacity whatsoever. Even though he be the finest nuclear scientist in the world, he cannot be employed, if this becomes a law, in the laboratory of the companies making nuclear submarines even though he has nothing to do with selling. For example, even if Admiral Rickover should go to work in a laboratory to continue his nuclear experiments, he could not do that, and he would be prohibited from such employment by the provisions of an amendment that you have not even had a chance to read.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO], to the amendment offered by the gentleman from Texas [Mr. KILDAY].

The question was taken; and on a division (demanded by Mr. SANTANGELO) there were—ayes 70, noes 101.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, the inconsistencies of our legislative process

are sometimes overwhelming. Right now before the Armed Services Committee there is a bill that would equalize the salaries of retired officers. The proposed bill would provide that officers who retired before 1958 would get the same retirement salary as those who retired after 1958. As the law now stands, those who retired prior to 1958 get a lower salary than those retiring after 1958. Those who are arguing to equalize these salaries are contesting the fact that they are "second-class" retired officers under existing law. And I agree with them. The legislation we are considering today creates a similar situation.

Now, if I understood the purpose of this amendment, those officers who had retired more than 2 years prior to the effective date of this legislation would be totally excluded from the reporting provision of this act. We are again setting up a double standard for retired officers. I am not a member of the committee, and I shall not offer an amendment. I shall support this legislation because it attempts to deal with a most important problem. But, I am disappointed that the committee did not include the reporting provision for all retired officers, regardless of when they retired as long as they continue to work for big defense corporations. I certainly hope there would be some way to expand this legislation to require all these men, regardless of when they retire, as long as they are working for a private defense concern and as long as they have influence on these huge expenditures, to report their activity.

Yesterday we heard the gentleman from Indiana [Mr. MADDEN] tell us that undoubtedly billions of dollars could be saved if some of these influences were eliminated. Throughout this debate we have heard various statements being made along the same lines. The very purpose of this legislation is to bring about some semblance of equity in defense spending. Yet we are willing to say today that if a man retired more than 2 years ago he is excluded. He may go ahead with his work with impunity. Nobody will bother him. Nothing will affect him. However, if he has retired within the last 2 years or shall retire hereafter, he will come within the framework of this legislation. I do not want to deny any retired officer an opportunity to earn a livelihood, but I certainly believe the American people have the right to know what these men, who have been employed in the Defense Department all these years, are doing to affect defense expenditures after they retire, regardless of when they retired.

The CHAIRMAN. The gentleman from Mississippi [Mr. WINSTEAD] is recognized for 3 minutes.

Mr. WINSTEAD. Mr. Chairman, as a member of the Hébert Special Investigations Subcommittee, I would like to say that Mr. HÉBERT was given one of the most difficult of all tasks when assigned this complicated subject. May I say that he devoted much time to this and did a splendid job.

The original bill which Mr. HÉBERT introduced was only a vehicle and certainly not considered by him or members of the subcommittee to be a finished

product. I understood that it was to be further considered by the Kilday Subcommittee with whatever hearings were necessary.

I supported Mr. HÉBERT in the subcommittee; I supported him in the full committee twice. I shall now support the Kilday substitute because I believe it to be better than the original bill reported from the full committee, even though it does not go as far as I would like. I opposed the Kilday amendment in committee, hoping we could get sufficient opposition to get a vote on the Hébert amendment.

I hope the Judiciary Committee will take action on the Hébert bill which he introduced today. I definitely feel that contractors should be held just as responsible as retired military personnel. As far as I am concerned, I am willing to put the same restrictions on all Government employees dealing with subjects such as this, even including Members of Congress.

Mr. HÉBERT and our entire subcommittee worked hard in an effort to protect the innocent and utilize the skills of technicians, scientists, electricians, and other skilled personnel. At the same time we made every effort to prohibit abuses by Government contractors in hiring retired military personnel for selling purposes only. This, Mr. Chairman, is indeed a difficult subject with which to deal.

Mr. HARDY. Mr. Chairman, like the gentleman from Mississippi [Mr. WINSTEAD], I have had the privilege of serving on the Hébert subcommittee. Under the able leadership of the gentleman from Louisiana, our committee worked diligently to develop information on the important subject with which the bill before us seeks to deal.

As a result of our hearings, the subcommittee agreed on the report and discussed at length the original bill, H.R. 9682, which Mr. HÉBERT introduced. I think I should point out that in presenting that bill to the full Armed Services Committee it was the thought of the subcommittee members that it would merely be a vehicle for the development of perfected legislation; that it would be referred to a legislative subcommittee which would recommend to the full committee the reporting of a perfected measure.

I think I should call attention to the fact that when the original action was taken in the full Armed Services Committee on March 16 I joined a majority of the committee in voting to report H.R. 10959, but I did so with some reluctance and with a feeling that the bill as reported was seriously inadequate to cope with the problem. However, it was the only alternative available under the parliamentary situation which existed.

Mr. Chairman, I am glad that the full committee, at its meeting on Tuesday of this week, voted to offer an amendment to the bill which has been presented by Mr. KILDAY. It was my view that the Hébert language as included in H.R. 11474 would be more effective, but since we had no opportunity to vote on that language, I shall support the Kilday amendment.

Mr. Chairman, I am pleased that this matter is about to be resolved. I congratulate the gentleman from Georgia [Mr. VINSON] and the gentleman from Texas [Mr. KILDAY] for the improvement which the pending committee amendment makes in the bill, and I want also to commend the gentleman from Louisiana [Mr. HEBERT], not only for his splendid contribution as represented by the hearings which he conducted but for his efforts toward enactment of meaningful legislation. It is to his credit and the result of his perseverance that this legislation has been brought to this point of House action.

The CHAIRMAN. The time of the gentleman from Mississippi has expired, all time has expired.

The question is on the Kilday amendment.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10959) relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces and for other purposes, pursuant to House Resolution 487, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mrs. ST. GEORGE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. ST. GEORGE. I am, Mr. Speaker.

The SPEAKER. The gentlewoman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mrs. ST. GEORGE moves that the bill H.R. 10959 be recommitted to the Committee on Armed Services.

Mr. VINSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CORRECTION OF THE RECORD

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to make a number of corrections in the RECORD of April 6, 1960.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

BATAAN DAY

(Mr. McCORMACK asked and was granted permission to address the House and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, April 9 is an unforgettable day for Americans and Filipinos alike as well as for the free world. It was a day when our two nations, the United States and the Philippines showed the world that the ideals of freedom and democracy are so precious irrespective of race, color or creed, our two peoples were ready to sacrifice their sacred possession and their lives to uphold and defend them against tyranny and totalitarianism.

Nineteen years ago, after a heroic resistance that was a saga of valor and patriotism, American and Filipino troops who had been fighting in the beleaguered peninsula of Bataan for more than 4 months, outmanned, outgunned, outplaned, many of them malaria and dysentery-ridden, starving—"grim, ghastly, ghastly men unafraid", in the words of their commander—surrendered to the superior force of the enemy, superior only in number and in equipment but not in courage or in morale or in devotion to the cause they were defending.

We pause today to honor the memory of those American and Filipino soldiers. Bataan fell but a new spirit of unity between our two peoples has risen. That is the spirit that binds us today. Whatever may be the temporary disagreements that are bound to come up between our two Governments, the spirit of Bataan will help us to work for their solution with patience, good will and statesmanship.

It is not true that we Americans have forgotten Bataan. It is false to say that the spirit of Bataan is dying here. If that were true—and it certainly is not—we would not now be considering certain measures with the end in view of redeeming the pledges we had made as a people to the people of the Philippines. It is the common sacrifice of the Filipino and American soldiers at Bataan that serves as a constant reminder to us of the debt of gratitude that we owe to those brave men who so gallantly fought and fell for freedom and democracy.

The Philippines is now an independent Republic. It is our friend and ally. It is not a fair-weather friend. It is not a hesitant ally. Courageously and forthrightly it has stood up to be counted. It is not a fence-sitter. Presi-

dent Carlos P. Garcia on this floor in June 1958 did not mince words when he said that his people are for the United States because they believe in the dignity of the human individual. He declared that his country shuns neutralism because his people have chosen their place in history and that place is on the side of freedom. We remember those words, we have not forgotten them because they reveal that the spirit of Bataan is as alive in the Philippines as it is here in the United States.

Today, on the 19th anniversary of Bataan, I would like to commend to the attention of our people an address by Gen. Carlos P. Romulo, Philippine Ambassador to the United States, who was aide-de-camp to Gen. Douglas MacArthur, who was one of those who in Bataan and Corregidor shared the sufferings and sacrifices of the men whose memory we honor today, in which he gives new point and meaning to Bataan Day:

We have lived through half a generation since the glory of Bataan. We have survived a great war, and several lesser wars, and the overhanging threat of a future conflagration. We have survived victory, and we have even survived "this peace of mutual terror" that followed victory.

Tonight we meet once again to recall the inner meaning of the blood brotherhood between the American people and the Filipino people that was sealed on that little peninsula and on that little rock whose names are enshrined in the histories of both our countries.

Since Bataan—our independence was proclaimed in 1946—I need only tell you that I am proud of the way in which my countrymen in the Philippines have demonstrated the vitality of their devotion to constitutional government, the maturity of their political philosophy, and the stability of their political understanding. In time of stress the true nature of a man or a nation shows itself. We have gone through several such stresses, our people have shown their wisdom, their restraint, and their solidity.

We have, in sum, met national crises that have confronted us time and again, just as on occasion in the past, you have met yours in the United States. The reason for this is that, on top of our own cultural heritage as Filipinos, on top of the faith and culture we acquired from the Spaniards, we in the Philippines took to our hearts the democratic ideals, the respect for constitutional law, and the desire for orderly government, which are today the hallmarks of both the American and Philippine democracies. What we have learned from you, we have learned well.

Today, we can perhaps begin to repay our philosophical debt to America. There was a time, in the past, when we were the learners and you the teachers. Now, in our new world of nations rapidly arising from the somnolence and colonial subjugation of past centuries, we may be able to convey to you a message that can help you understand and sympathize with those whose undersanding and sympathy you need to win.

So, on this anniversary of Bataan I ask you to look ahead with me for the next ten or fifteen years, rather than back at the past we know so well.

The United States, as the leader of the free world, now finds itself involved in the political turmoil and deep social and economic problems of peoples in places that had only recently been terra incognita for you. The Middle East is on your doorstep.

Your sailors and marines are in Beirut, in Taipeh, in Seoul, in Berlin, in Spain, because you choose to exercise the deterrent power of a show of force to maintain peace. Your newspapers shriek to the editorial skies because your diplomats cannot speak the languages of Laos, or Indonesia, or Ghana—for suddenly such countries have become important to you.

At the precise moment when the world has been shrunk to the size of an orange by the rapidity of transportation and communication, at the very time when a creeping contagion called communism spreads out over the face of this tiny globe, there has come the awakening of the sleeping giants all over the world—the peoples who have thrown off the shackles of alien rule and have chosen to master their own destinies.

Asia and Africa are afire with a new nationalism. This powerful force, which in a different incarnation gave Europe its bloodiest centuries and its most magnificent civilizations, can now do the same, one or the other, in the rich and vast continents peopled by human beings in the billions.

Your survival—and that of freedom itself—depends on your capacity to recognize what is happening in the world; and, having recognized the nature of the upheaval, on your ability to act with wisdom and imagination.

I do not tell you this in a critical mood. I talk to you as a true and loyal friend. I tell you this because I truly believe that the fate of every person who believes as you do, the fate of every nation committed to the cause of freedom, is bound up in the actions of the United States of America. If you should choose unwisely, if you should make a false move in the battle for men's minds and souls and bodies, if you should betray yourselves and your principles, if you should lose the cold war either on the battlefield or at the conference table, then the whole free world will go tumbling down with you. We are all intertwined in our mutual responsibilities, and precisely because you carry the load of leadership you must take with good grace, and with deep thought, the friendly opinions of the rest of the free world.

Your President has traveled in Europe, Asia, Africa, and Latin America to meet personally with the heads of state of more than 20 nations. Your Vice President traipsed all over Africa shaking hands with tomorrow. Your late Secretary of State has visited more than 40 countries in his search for peace and friendship. Your Senators and Congressmen also travel all over the world to get first-hand information about other countries and peoples. These are the signs of your recognition of the strange new ways in which America must show her leadership.

They are good signs, but they are essentially outward symbols. What the new world of new nations looks for, even more than symbols, is evidence of American understanding, of American acceptance, of American recognition of their equality in the society of man.

And that is where the Philippines enters the picture, beyond the great tradition of intimate friendship that has been built up between our two peoples over the past half century. The fact that, in your one great adventure into colonialism, you retreated almost before you began, has been a powerful weapon in your arsenal of democracy. You came to the Philippines, you saw, but you did not conquer. Instead, you worked with us, and learned with us, and out of the relationship emerged your promise to help us achieve and assure our independence. That promise went through the purification of fire 19 years ago. And, in 1946, the promise came true.

That piece of history has been a tower of strength in your dealings with other co-

lonial nations. For they recognized that America was different from the other Western nations—different in that it had no need or desire to become an empire.

I believe this piece of history was one of the most important reasons why, during the past decade, the new and subtle imperialism of Communist Russia made no greater headway than it has so far. But we are familiar enough with the weaknesses of the human character to know that recollection of the past does not long survive. In the minds of the new peoples of the Eastern World, the test is not yesterday, and not tomorrow, but today.

At this very moment, the nature and quality of American friendship with the Philippines is under test. The scrutiny exists among my own people, quite naturally, but it is even more acute among the billion human beings whose ultimate choice may determine the outcome of the struggle between freedom and democracy, on the one hand, and slavery, tyranny and totalitarianism on the other.

They are asking the questions now. They are demanding the answers. And the very power of their numbers, the very strength of their strategic locations, require that their questions be answered.

Since they are suspicious of all outsiders, injured as they have too often been by their contacts with foreigners in past generations, they do not take you on faith. They are waiting to see whether all the years of mutual loyalty between two friends from different worlds, the Americans and the Filipinos, can be marred by misunderstanding. They are waiting to see whether the United States will maintain an absolute respect for the national sovereignty and territorial integrity of the Philippines. This is fundamental. They are waiting to see whether the relationship between our two countries will continue to be that of equals, or whether there will be an unwitting deterioration into a semblance of the master-slave relationship that exists between the Soviet Union and her so-called friends—whom we call, more accurately, her satellites or even her colonies.

For our part, I need not assure you that we wish nothing more, and nothing less, than equality. We wish this in our own behalf, and in your behalf as well. The Philippines gladly chooses the title of friend and ally; it honors you as well as it honors us. We will never accept the title of colony or satellite; it would dishonor you and degrade us.

I do not believe the choice will ever have to be made. I repeat, I am confident, knowing you as I do, that no such choice will ever be made. That there are differences of opinion between us is natural and even healthy. That occasionally our tempers rise is normal. The unity of friendship, the comradeship of alliance, does not impose on you or on us the necessity to be silent, or to accept that with which we do not agree. It imposes on us—on each of us—the loyalty that comes with candor, with forthrightness, and with integrity. That is the kind of friendship that has grown between our two peoples, and it is the only kind of friendship worth having.

The next decade will test that friendship. Because it is a strong friendship, the test will make it all the stronger. That is what I believe. I hope you believe it, too.

For I say to you that what is at stake is something even more precious than the land I love, the Philippines—and more precious than your own beloved country, the United States. What is at stake is the very future of the human race. Only if the East and the West can truly meet on an equal footing, only if you can show your respect for the national sovereignty, the aspirations, the needs, and the problems of the nations that have just been reborn, only if you can

adjust to the revolution of the twentieth century, can the human race hope to achieve the liberty, the prosperity, the happiness, that is the dream of civilized man.

The men who died on Bataan offered that which was most precious to them—their own lives—on the altar of human freedom and human friendship. We who survive have an obligation to them that cries out to be repaid. We owe them the continuation of the battle. We owe them the never-ending pledge to carry on until all the peoples of the earth see the birth of a new freedom, a new brotherhood, and a new and lasting peace.

Mr. Speaker, there is food for thought in General Romulo's speech. We know him as our good friend and his words are those of a friend. He has been fighting all these years for the recognition of his fellow veterans' claims, for the payment of his people's war damage claims, for an increase in his country's sugar quota, and for the protection of his nation's best interests and welfare as they are affected by the relations between our two countries.

Bataan Day should serve to remind us not only of the loyalty of our Filipino allies but of our duty to help them as much as we can, the help that we owe them who took our side in war and are committed to us courageously in peace. Let us answer the questions Asia and Africa are asking by showing that we value the friendship of the Filipino people because we are a grateful nation and we do not forget those who, like the Filipinos, are not afraid to show that they are committed, like us, to uphold and defend the ideals of freedom and democracy. It is in this spirit that we should commemorate Bataan Day.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the Record, and also have 5 legislative days in which to extend their remarks on the subject of the 19th anniversary of Bataan Day.

THE SPEAKER. Is there objection?

There was no objection.

Mr. HAYS. Mr. Speaker, anniversary celebrations are of great significance. Though the message embodied and imparted in some are of greater significance than in others, they all have their distinct place in our national history and our national life. The 18th anniversary celebration of Bataan Day is of especial significance because 18 years ago when our gallant fighters were cut off from the rest of the world, and in the face of forbidding odds, fought their implacable enemy in that distant peninsula, they perhaps did not realize that they were making history. In no sense was Bataan a defeat for our indomitable and stout-hearted boys who, fighting side by side with their Filipino brothers-in-arms, were unbowed and undaunted even in their inevitable surrender. It is true that in Bataan we lost a battle, but actually and fortunately it was only a loss of certain strategic advantages, and the lesson of such a loss had its sobering effect upon us during the remainder of the war.

Today as we look back and remember the events of 18 years ago, we all are conscious of the tremendous importance of what transpired in Bataan Peninsula.